



# 2019 Annual Report

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Prepared and produced by *Corporate Services of the Town of Smithers* / Smithers, British Columbia, Canada



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## Town of Smithers Community Profile

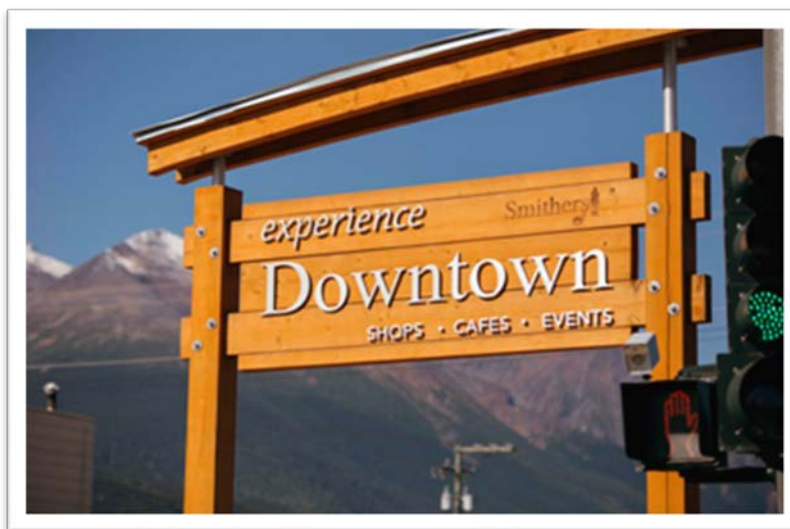
Smithers has a population of 5,401, as per 2016 Statistics Canada, with another 6,722 people in the surrounding area. Smithers offers a greater variety of amenities and services compared to other towns of similar size because of the central location and excellent transportation options. Highway 16, the Smithers Regional Airport, Canadian National Rail, VIA Rail, bus lines and close proximity to the Port of Prince Rupert keep Smithers globally connected.

The aboriginal people of the area are the Wet'suwet'en. A Carrier people of the Athapaskan language group, whose oral history recounts a story of their origins in the Village Dizlegh, on the Bulkley River just east of Hazelton.

The Town of Smithers is nestled in the Bulkley Valley between Hudson Bay Mountain, Babine Mountains, the Telkwa Range and the Hazelton Range. Proximity to these mountains offers outstanding outdoor recreational pursuits for both residents and visitors. Popular activities include downhill and cross country skiing, golfing, mountain biking, kayaking and canoeing, camping, world-class fishing, hiking, and snowmobiling, along with a wide range of indoor recreation opportunities. Smithers also boasts a rich culture in music and the arts.

The Bulkley Valley is well known for its diverse economy. Agriculture, forestry, mining, guide outfitting, recreation, tourism, Local, Provincial and Federal Government offices, transportation, health care, education, service and small business ventures all provide many employment options. With the recent port expansion on the Province's west coast, Smithers is well situated to tap into international trade opportunities.

The combination of services, recreation and cultural experiences creates an influx of people to the Valley. This phenomenon is termed 'amenity migration.' Smithers will continue to be a place to live by choice, in a beautiful mountain valley inhabited by friendly, vibrant people. For more information on Smithers, please refer to [www.smithers.ca](http://www.smithers.ca) for an expanded community profile.



## Message from the Deputy Mayor

Dear Residents,

Smithers is a vibrant community where we are lucky to live, work and play. I have often heard the comment “there is just something about Smithers...” as people comment on the look, the culture and the community pride evident in our community.

The local government employees in their various departments keep dozens of projects and initiatives underway to maintain and improve our municipality. Our Town of Smithers employees demonstrate the pride they take in their community by the quality of the work they provide for us every day, and I will thank them for that here.

In 2019, the Airport Terminal Modernization Project, a major infrastructure improvement was completed. The Town now has a modern, welcoming and energy efficient terminal to meet the needs of our travelling public. The beautiful renovation, with large windows in the departure lounge provides passengers with stunning views as they say farewell; that will lure them back again.

Also in 2019, the Town applied for \$12.9 million in funding to support the proposed Smithers Public Library/Gallery Project. Council has identified the Library/Gallery as our priority as both are in need of improved and expanded space, and provide excellent service to residents of all ages.

2019 saw the first tenants move into the newly completed Goodacre Place on Railway Avenue, a supportive housing project that provides much needed housing for our community members. The Town’s Development Services Department also amended the Secondary Suites Policy and provided recommendations to Council on skinny homes, all in effort to increase housing options.

Downtown is seeing development related to changes in taxation and parking requirements, resulting in both new businesses and increases to the residential units downtown. Having people live downtown contributes to its liveliness.

On behalf of Council, thank you to the residents of Smithers for your interest in our community, for your volunteerism, including on Town Committees, and your good work. Together we ensure we have community to be proud of, now in the future.

Sincerely,



Gladys Atrill  
Deputy Mayor

## Town Council | 2019



Top, L-R: Councillor Lorne Benson, Councillor Frank Wray, Councillor Greg Brown, Councillor John Buikema  
Bottom. L-R: Councillor Casda Thomas, Mayor Taylor Bachrach, and Councillor Gladys Atrill.

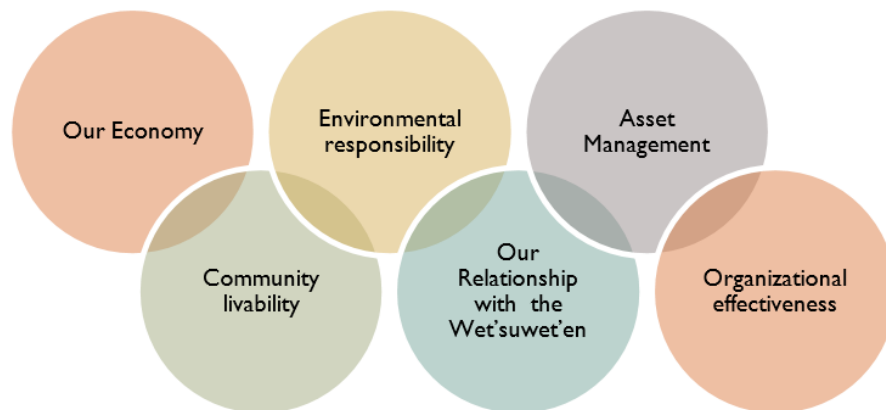
### Smithers Town Council - Committee Appointments

|   |  |
|---|--|
| <p><b>MAYOR TAYLOR BACHRACH (Resigned November 2019)</b></p> <ul style="list-style-type: none"> <li>• Chandler Park Field Upgrade Advisory Committee</li> <li>• Partnering for Healthy Communities</li> <li>• Bulkley Valley Regional Pool and Recreation Centre Advisory Committee</li> <li>• Northwest Regional Advisory Committee – NDIT</li> <li>• Regional District of Bulkley Nechako</li> <li>• Northwest Regional Hospital District Board</li> <li>• Smithers District Transit Committee</li> </ul> <p><b>COUNCILLOR LORNE BENSON</b></p> <ul style="list-style-type: none"> <li>• Advisory Planning Commission</li> <li>• Bulkley Valley Regional Pool and Recreation Centre Advisory Committee</li> <li>• Smithers and District Chamber of Commerce</li> <li>• Fall Fair Management Committee</li> <li>• Municipal Insurance Association of British Committee</li> </ul> <p><b>COUNCILLOR GREG BROWN</b></p> <ul style="list-style-type: none"> <li>• Bulkley Valley Lakes District Airshed Management Society</li> <li>• Bulkley Valley Regional Pool and Recreation Centre Advisory Committee</li> <li>• Cycle 16 Society</li> <li>• Finance Committee Chair</li> </ul> | <p><b>DEPUTY MAYOR GLADYS ATRILL (Assumed Acting Mayor Position)</b></p> <ul style="list-style-type: none"> <li>• Access Smithers Society</li> <li>• Chandler Park Field Upgrade Advisory Committee</li> <li>• Fall Fair Management Committee</li> <li>• Regional District of Bulkley Nechako</li> <li>• Tenas Coal Project – Working Group/ Mine Review Committee</li> </ul> <p><b>COUNCILLOR JOHN BUIKEMA</b></p> <ul style="list-style-type: none"> <li>• Finance Committee Vice-Chair</li> <li>• Municipal Insurance Association of British Committee</li> <li>• Smithers District Transit Committee</li> <li>• Smithers Library Board</li> </ul> <p><b>COUNCILLOR CASDA THOMAS</b></p> <ul style="list-style-type: none"> <li>• Advisory Planning Commission</li> <li>• Bulkley Valley Regional Pool and Recreation Centre Advisory Committee</li> <li>• Northwest Regional Advisory Committee – NDIT</li> <li>• Partnering for Healthy Communities</li> <li>• Smithers Art Gallery</li> <li>• Smithers Health Committee</li> </ul> <p><b>COUNCILLOR FRANK WRAY</b></p> <ul style="list-style-type: none"> <li>• Bulkley Valley Museum</li> <li>• Fall Fair Management Committee</li> <li>• Northwest Regional Hospital District Board</li> <li>• Smithers District Transit Committee</li> <li>• Tenas Coal Project – Working Group/ Mine Review Committee</li> </ul> |
|---|--|

## Council's Strategic Plan | 2019-2022

At the end of March, 2019, Council and Senior Management convened for a day and a half in a strategic planning workshop. The purpose of the workshop was to identify the Strategic Priorities that Council wished to focus on during their Council term, 2019-2022.

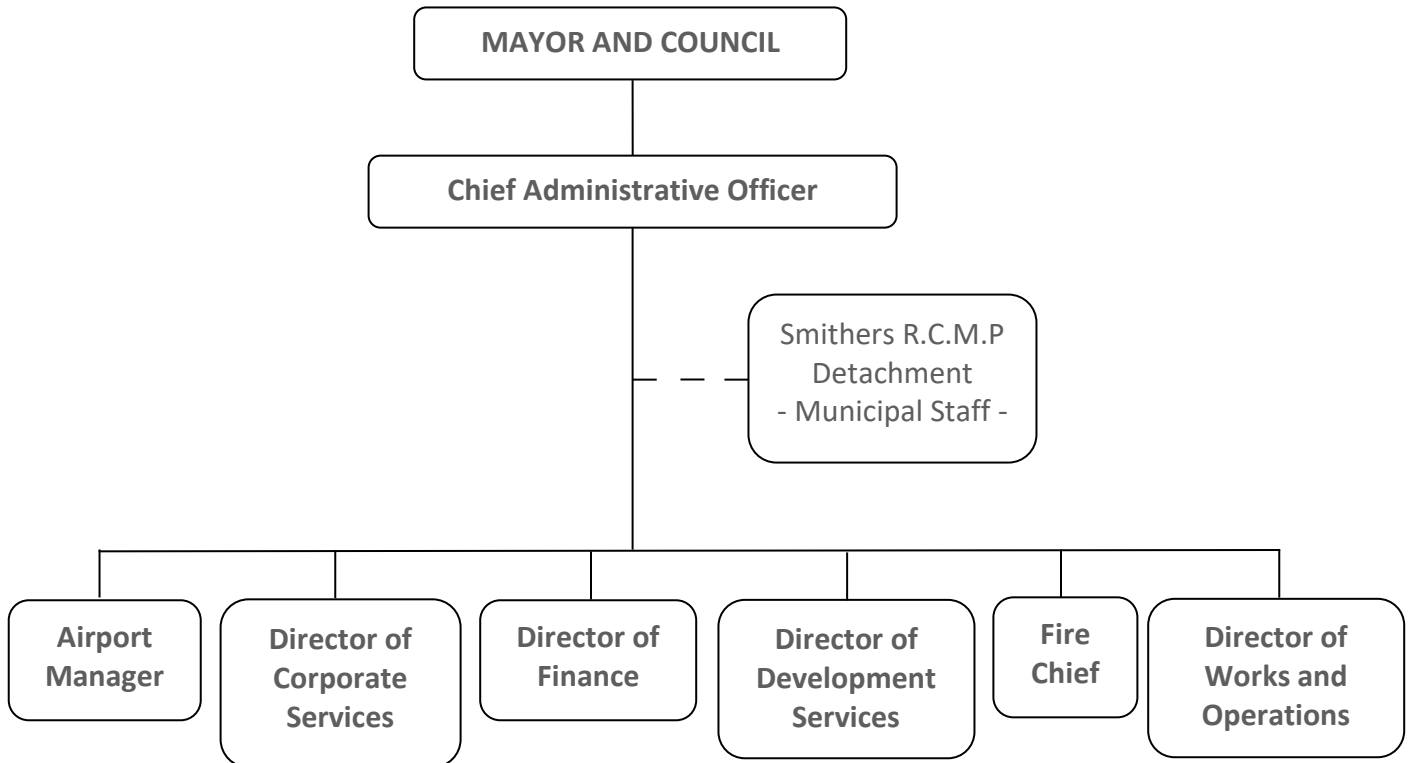
Council first established the following six Focus Areas, which describe the range of community systems that they are responsible for, and that they wish to take leadership on. While each of these Focus Areas describe a specific community topic, they are inter-connected, and many initiatives are related to more than one Focus Area. The six Focus Areas are:



Once a clear picture of the goals, descriptions of success and key positive and negative factors were determined, Council and staff then identified 14 strategic initiatives to be undertaken:

1. Our Economy – Improve the long-term viability of the airport.
2. Our Economy – Improve housing affordability and diversity in the community.
3. Our Economy – Increase community economic development.
4. Community Livability – Enhance vitality of downtown, including Central Park.
5. Community Livability – Enhance community life, culture and recreation.
6. Community Livability – Increase and facilitate active transportation.
7. Community Livability – Update Smithers' Official Community Plan and Zoning Bylaw.
8. Environmental Responsibility – Reduce corporate greenhouse gases and facilitate the reduction of community greenhouse gases.
9. Our Relationship with the Wet'suwet'en – Work with the Wet'suwet'en peoples to strengthen relationships and collaborate on opportunities.
10. Asset Management – Develop and implement a long-term asset management plan for all Town assets.
11. Asset Management – Undertake priority infrastructure renewal projects.
12. Asset Management – Enhance financial planning for capital assets.
13. Organizational Effectiveness – Strengthen organization effectiveness and culture.
14. Organizational Effectiveness – Increase communication and engagement with residents.

# Organization Chart



## Services

The Town of Smithers, in addition to providing a number of services, either directly or through contract, provides grant-in-aid funding that supports the Bulkley Valley Historical and Museum Society, Bulkley Valley Community Arts Council, Smithers Art Gallery and Smithers and District Library.



Arts and Culture



Airport



Bylaw Enforcement



Cemetery



Economic Development



Emergency Measures



Fire/Rescue



Garbage Collection



Recycling



Parks and Playgrounds



Planning and Development



RCMP



Public Transit



Snow Removal



Streets and Sidewalks



Storm water, Sewer, and Water



Community Policing



Library



## 2019 Town Statistics – Summary

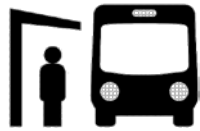
### 2019 VS 2018



**WATER CONSUMPTION**  
858,921 m<sup>3</sup>  
VS 920,207 m<sup>3</sup>



**258**  
FIRE CALLS



**42%**  
**INCREASE**  
IN RIDERSHIP



**5.4%**  
**INCREASE**  
AIRPORT PASSENGERS



**RESIDENTIAL BUILDING  
CONSTRUCTION VALUES**  
\$5,964,886 VS  
\$1,530,618



**FREE** Public Skating  
increase to TOT  
participants due to  
increased Corporate  
Sponsorship



**PLANNING AND  
DEVELOPMENT  
PERMITS**  
40 VS  
35



**DRUG ABUSE  
RESISTANCE EDUCATION  
(D.A.R.E.) CLASSES**  
2019 – 79  
2018 – 68



**TOTAL BUILDING  
CONSTRUCTION VALUES**  
\$14,235,057 VS  
\$13,195,311



**\$117,104**  
CAMPGROUND REVENUE

## Corporate Services

The Corporate Services Department is responsible for Human Resources, Labour Relations, Corporate Administration, Freedom of Information and Protection of Privacy, and Occupational Health and Safety.

### 2019-2022 Council Strategic Plan

#### Focus Areas

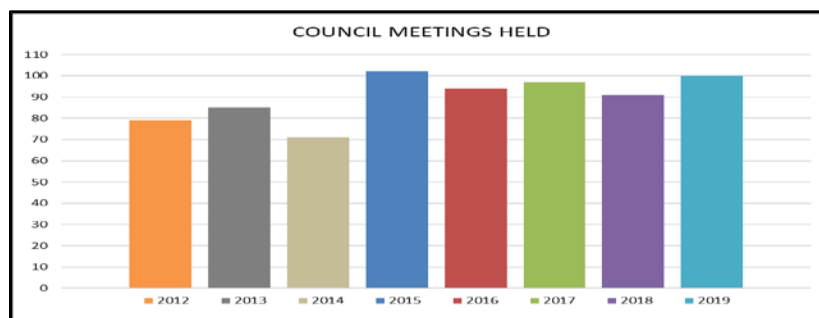
- Our Relationship with the Wet’suwet’en – continue to enhance our relationship with the Wet’suwet’en.
- Organization Effectiveness – create an effective and accountable organization with strong governance structures.

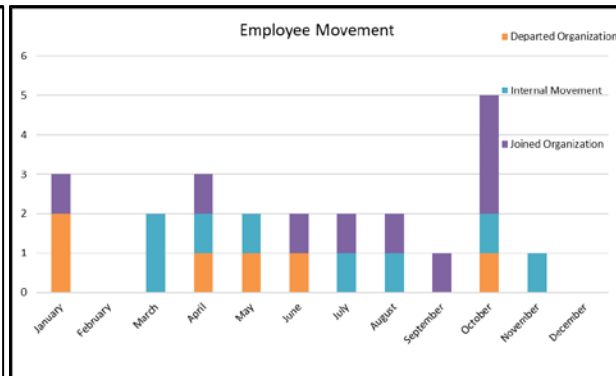
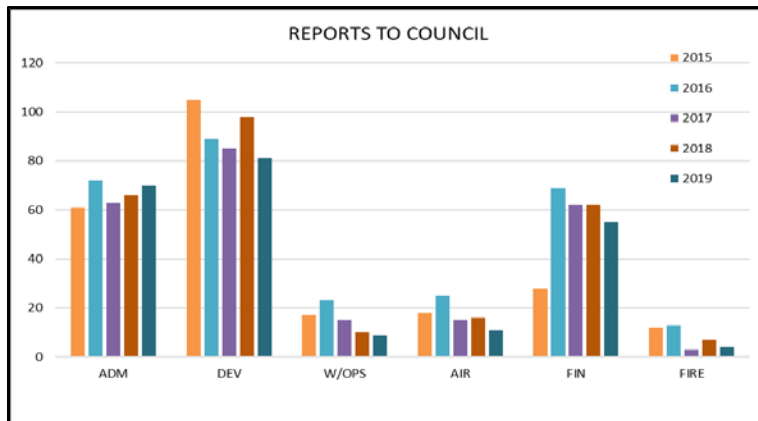
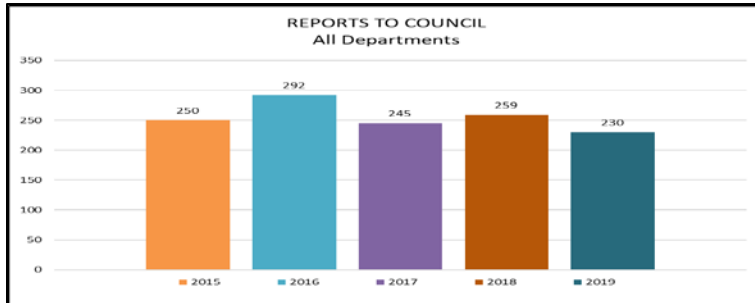
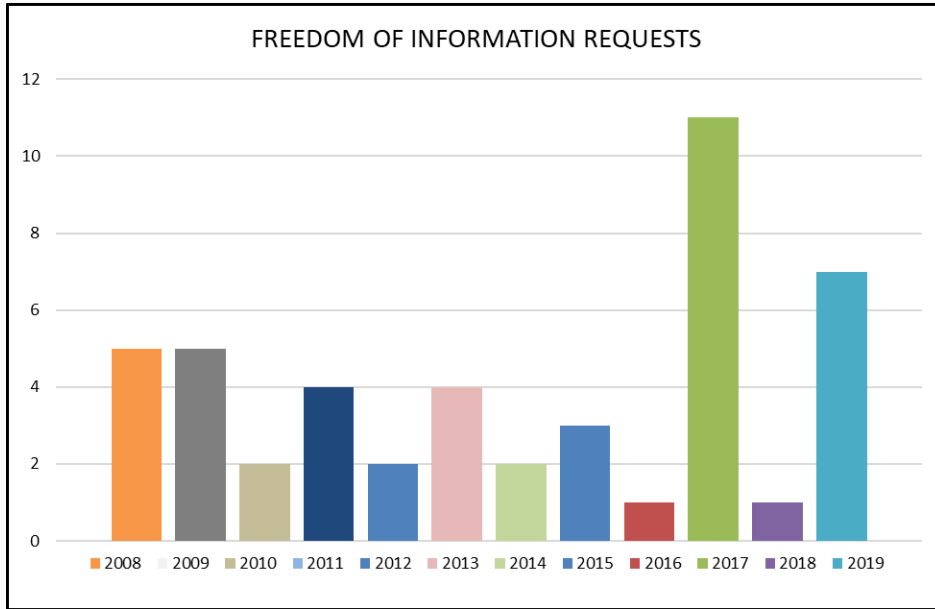
#### Strategic Priorities

- Work with the Wet’suwet’en peoples to strengthen relationships and collaborate on opportunities.
- Strengthen organizational effectiveness and culture.
- Increase communication and engagement with residents.

### 2019 Summary

- Worked with the Office of the Wet’suwet’en to facilitate a Community to Community Forum with the Hereditary Chiefs of the Wet’suwet’en.
- Worked with the Office of the Wet’suwet’en on extending the Protocol Agreement with the Office and Hereditary Chiefs of the Wet’suwet’en.
- Continued to prioritize workplace health and employee wellness.
- Continued to strive to achieve and maintain a corporate wide culture of trust, transparency and consistency.
- Continued to provide valuable support to other Town departments, as well as ensuring that all critical and permanent Town documents such as Bylaws, Council and Committee Agendas and Minutes are maintained according to legislation. Records Management was a priority for 2019 and all departments received training in the latest local government standardized electronic and paper filing as well as proper retention of corporate documents.
- Conducted 100 formal meetings with over 230 reports from all of the departments on the agendas.
- Continues to manage and negotiate new and existing leases, contracts and agreements.
- Responded to seven formal requests for information in 2019, compared to three in 2018.
- Consolidated all fees and charges into one Fees and Charges Bylaw.





## 2020 Major Projects and Strategies

- With the formal resignation of Mayor Taylor Bachrach in the fall 2019, to take on the Federal Member of Parliament position for the Skeena-Bulkley Valley riding, the Town will be conducting a by-election for the vacant Mayor seat in 2020.
- Continue to work with the Office of the Wet'suwet'en to facilitate a Community to Community Forum with the Hereditary Chiefs of the Wet'suwet'en and other reconciliation events.
- Continue to work with the Office of the Wet'suwet'en on extending the Protocol Agreement with the Office and Hereditary Chiefs of the Wet'suwet'en.
- An updated Council Procedure Bylaw will be presented to Council for consideration in 2020. This Council Procedure Bylaw governs the order of business and conduct at meetings of Council. The draft Bylaw will be available to the public for review and an advertisement will go out noting the Council Meeting date that Council will consider the new draft Council Procedure Bylaw.
- Records Management will continue to be a focus in 2020, with the staff in the Corporate Services Department encouraging compliance with the most current best practices for paper and electronic records for all departments.
- Strengthening the entire workplace continues to be a priority for this department. Human Resources programs such as Service Recognition, New Employee Orientation, Occupational Health and Safety, and Bullying and Harassment Awareness enable a healthy workplace for all of our employees. Ensuring a welcoming and safe workplace for all employees continues to be a priority of the Town.
- Review the Occupational Health and Safety Committee Terms of Reference and membership to ensure compliance with legislation and best practices.
- Completion of the Town's Discrimination, Bullying and Harassment Policy.
- Initiate succession planning strategies.
- Creation of a Good Neighbour Guidelines pamphlet.
- Creation of a Community Engagement Strategy.
- Creation of both a Social Media and a Communications Policy.
- Conduct an audit on Town's Information Technology structure and create a continuity plan.



Photo (above): Town of Smithers Municipal Hall

## Development Services

The Development Services Department is responsible for the following functions: Planning, Engineering, Building Inspection, Business Licensing, and Cemetery Administration.

### 2019-2022 Council Strategic Plan

#### Focus Areas

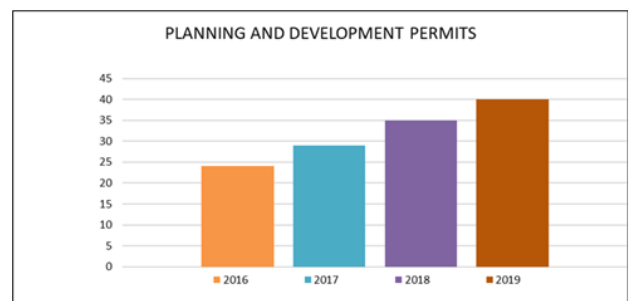
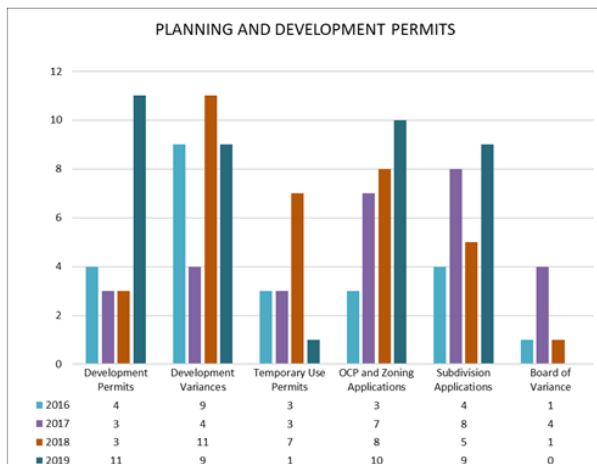
- Our Economy – Foster and enhance a diverse and vibrant economy.
- Community Livability – Continue to make Smithers a place where people want to live and visit.
- Environmental Responsibility – Protect our natural environment and resources by reducing our waste, pollution and footprint.
- Asset Management – Responsibly manage our municipal infrastructure over the long-term.
- Organization Effectiveness – Create an effective and accountable organization with strong governance structures.

#### Strategic Priorities

- Improve housing affordability and diversity in the community.
- Enhance vitality of downtown, including Central Park.
- Increase and facilitate active transportation.
- Update Smithers’ Official Community Plan and Zoning Bylaw
- Reduce corporate greenhouse gases and facilitate the reduction of community greenhouse gases.
- Develop and implement a long-term asset management plan for all Town assets.
- Undertake priority infrastructure renewal projects.
- Increase communication and engagement with residents.

### Planning - 2019 Summary

- Completed the Active Transportation Plan.
- Applied the Revitalization Tax Exemption to several projects in the downtown core.
- Issued Occupancy for the Supportive Housing Project on Railway Avenue at Queen Street and ensure completion of the off-site works.
- Prioritized BC Housing proposed new housing developments.
- Amended the Secondary Suites Policy (with Building Inspector).
- Provided recommendations to Council on “skinny homes”.



## Planning - 2020 Major Projects and Strategies

- Hire a new Planning Technician position.
- Conduct a Housing Needs Assessment.
- Encourage infill small-lot development, secondary suites and carriage houses.
- Active transportation Plan – Third Avenue, Queen to King Streets top priority planning project.
- Support BC Housing proposed new housing developments.
- Prepare for pending Official Community Plan update and Zoning Bylaw review/rewrite.
- GIS (Graphical Information System) update with new program & training.
- Provide recommendations to Council on AirBnB and Ride Hailing regulations.

## Engineering - 2019 Summary

- Submitted the \$12.9M grant application for the proposed new Library/Art Gallery facility.
- Completed the Chandler Park Field Upgrades Project Phase 3, by repairing and moving the original Field 1 and completing the new Field 3.
- Completed the Water-Sewer-Storm Asset Management Plan and initiated staff training.
- Initiated the Arenas Heat Recovery Study and feasibility of providing heat to the Pool.
- Completed Roads and Sidewalks Maintenance Contracts.
- Installed solar-powered LED flashing beacon crosswalk signs on King Street at Second Avenue (Muheim Elementary School zone) with partial Road Improvement funding from ICBC.
- Installed a new 48-unit Columbarium at the Cemetery for interring above-ground cremated remains.
- Completed the Astlais Place Storm Sewer Outfall Relocation.
- Tended the Downtown Landscape Revitalization project starting on Main Street at Alfred Avenue, however tenders were over budget.
- Inspected by video camera the sanitary trunk sewer main from Highway 16 to the Sewage Treatment Plant.



Chandler Park – Field 3 Construction and Park layout.



Milling Machine Removing Old Asphalt in Preparation for New Asphalt Paving



Solar-powered LED Flashing Beacon Crosswalk Signs on King Street at Second Avenue

## Engineering - 2020 Major Projects and Strategies

- Bulkley Riverbank Erosion study and design, pending successful grant award.
- LB Warner Centre Phase II Environmental Site Assessment and demolition of existing buildings, working with the Museum Board to relocate artifacts and farm implements.
- Arena ice plant consolidation and heat reclaim study – complete and liaise with Pool board regarding heat from arena to pool options.
- Administration of annual road, sidewalk, and accessibility upgrade contracts.
- Administration of the following projects: Energy Profiling; BC Hydro CEEP Project; Arena Building Assessment; and, LB Warner Envelope Upgrade.
- Training of staff on new asset management program.
- Municipality Facility Upgrade Program – Roof Replacements.

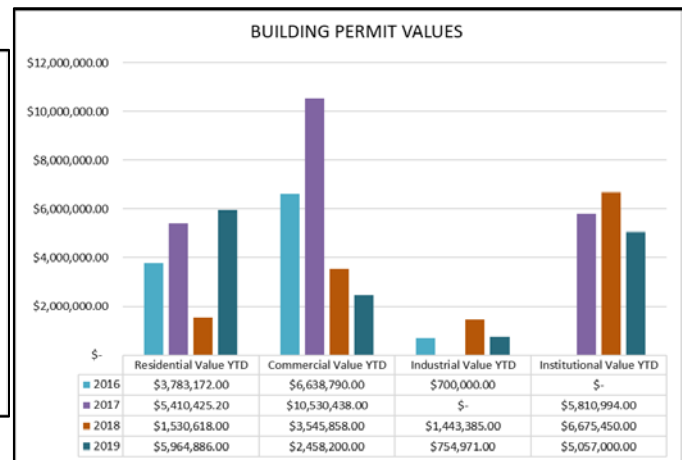
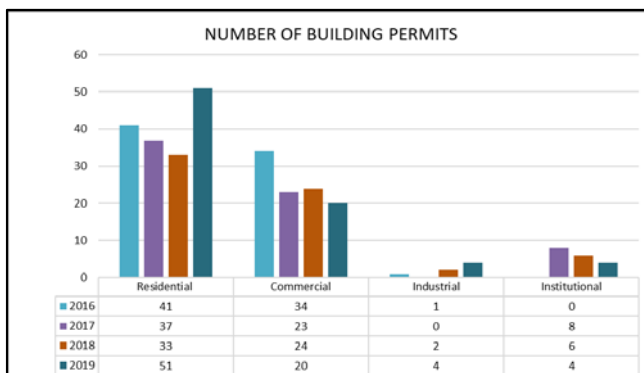
## Building Inspection and Licensing – 2019 Summary

### Building Inspection

- 80 building permits issued with 13 new single family homes started and 4 with Secondary Suites.
- Total construction value of \$1,325,000; with the majority from residential permits at \$1,323,000
- Downtown Façade Improvement (Spruce-up) Program: administered the program for 5 projects at a total rebate of \$15,818.49.
- Continued updating of the Facilities Maintenance Plan and implementing ongoing improvements to various municipal buildings such as: heating and envelope upgrades at the gymnastics building.
- Updating of the Building Bylaw based on the Municipal Insurance Agency (MIA) model bylaw.
- Continued training based on the New BC Building Code.
- Continued training with introduction of the Energy Step Code.
- Implementing improved safety measures for Secondary Suites.

### Business Licensing

- 56 new business licenses issued.
- 662 total businesses operating.



## Building Inspection/Business Licensing - 2020 Major Projects and Strategies

- Complete the Building Bylaw amendment based on the Municipal Insurance Agency (MIA) model bylaw.
- Continued training based on the New BC Building Code.
- Continued training with introduction of the Energy Step Code.
- Implementing improved safety measures for Secondary Suites.
- Facilities Maintenance Plan re-roofing projects: Central Mountain Air Hangar at Airport, Riverside Municipal Campground Cookhouse, Washrooms at Fall Fairgrounds, Victoria Drive Pumphouse.



## 2019 Awards of Excellence

The annual Awards of Excellence are presented by the Advisory Planning Commission (APC) in conjunction with the Smithers and District Chamber of Commerce to project proponents in recognition of newly completed projects that have demonstrated an excellence in commitment to improving the community. Merit is assessed based on aesthetics, sustainability, community value, renewal and preservation.

### RESIDENTIAL WINNER:

3896 Railway Avenue  
(Goodacre Place)



### COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL WINNER:

3064 Highway 16  
(Raven Adventures)



### BEST MIXED USE WINNER:

3769 Third Avenue  
(Home Hardware)



## Economic Development

The Town promotes economic development and tourism both internally and externally through contracts with the Smithers and District Chamber of Commerce and Tourism Smithers.

### 2019-2022 Council Strategic Plan

#### Focus Areas

- Our Economy – Foster and enhance a diverse and vibrant economy.

#### Strategic Priorities

- Improve the long-term viability of the Airport.
- Increase community economic development.

### 2019 Summary

- Support provided to Tourism Smithers in the amount of \$255,323.
- Support provided to Smithers and District Chamber of Commerce in the amount of \$85,705.
- Downtown Façade Improvement grants paid to Downtown Businesses in the amount of \$15,818.

### 2020 Major Projects and Strategies

- Hire a Community Economic Development Officer.
- Create a Community Economic Development Strategy.
- Continue to lobby the Province to include Smithers in the Resort Municipality Initiative.
- Continue to support Tourism Smithers through the collection of the 3% Hotel Tax collected by the Province plus an additional \$10,000.
- Continue to contract the Tourism Information Centre to the Smithers and District Chamber of Commerce.
- Continue to fund the Downtown Façade Improvement (Spruce-up) Grant Program through the Northern Development Initiative Trust.
- Continue to support the wood stove exchange program.
- Work with BC Transit on increasing accessibility to the Town.
- Continue discussions with the Regional District of Bulkley Nechako on restoring capital funding for the Airport.
- Continue to work with airlines on achieving competitive passenger air fares.
- Highway 16 Banner Project.
- Working with BC Hydro on the installation of an additional Level 2 Electric Charging Stations, and Level 1 Stations as part of Charge North.

Photo (right): Alpenhorn Man Statue on Main Street at the entrance to the Downtown Core



## Finance

The Finance Department is responsible for monitoring, controlling and allocating financial resources in order to achieve the Town's immediate and long term goals and objectives.

Finance supports all Town Departments in the preparation of their five year financial plans, while providing support for accounts receivable, accounts payable and payroll support.

### 2019-2022 Council Strategic Plan

#### Focus Areas

- Asset Management – Responsibly manage our municipal infrastructure over the long-term.
- Organization Effectiveness – create an effective and accountable organization with strong governance structures.

#### Strategic Priorities

- Enhance financial planning for capital assets.
- Strengthen organizational effectiveness and culture.

### 2019 Summary

- Hiring and training of both a new Senior Accounting Clerk and new Accounting Clerk II.
- Continued with cross-training departmental employees on all systems.
- Issued new fuel cards to the department heads.
- Implemented the new processes to pay the new Employer Health Tax.
- Created a new Utility Infrastructure Statutory Reserve.
- Worked with BC Transit to complete the Transit Marketing program.
- Updated the Water and Sewer Fees based on Asset Management Plan.
- Entered the Tax Prepayment customer information and applicable client codes in Vadim to reduce amount of paper.
- Changed the budgeting process.

### 2020 Major Projects and Strategies

- Continued training of the Finance Team to ensure cross-training needs.
- Update the Town's Purchasing Policy with a focus on "Green" procurement.
- Amend administration fees and charges.
- Improve payment processes for taxpayers to pay property taxes, utilities, business licenses, and accounts receivable using Vadim Online systems.
- Implement CaseWare financial software for the year-end audit working papers and Financial Statements preparation.
- Implement Qwestica Budgeting to streamline the budgeting process and improve planning, management, and reporting of financial data.
- Implement the Vadim HR "My Way Human Resources" software for Payroll time sheet management and administration.
- Transfer supplier EFT information into the Vadim System to reduce the amount of paper copies on hand.
- Continue scanning customer/supplier information into the Vadim system for Utilities and Accounts Payable modules, which will reduce paper copies

## Fire Rescue

Smithers Fire Rescue has consistently retained a volunteer force of 42 firefighters over the years. Organizationally, Smithers Fire Rescue fosters the Town’s commitment to a positive, trusting and collaborative environment.

Firefighters provide services beyond structural firefighting such as: First Responder (pre-hospital care); Highway Rescue; Aircraft Firefighting; Fire Prevention; and Public Fire Safety Education. Fire prevention focuses on areas such as code enforcement and fire inspection services. Public fire safety education provides general information on preventing accidents in the home and workplace through lectures, tours, printed materials and fire extinguisher demonstrations. We have seen significant success in our education of children in the elementary school setting.

### 2019-2022 Council Strategic Plan

#### Focus Areas

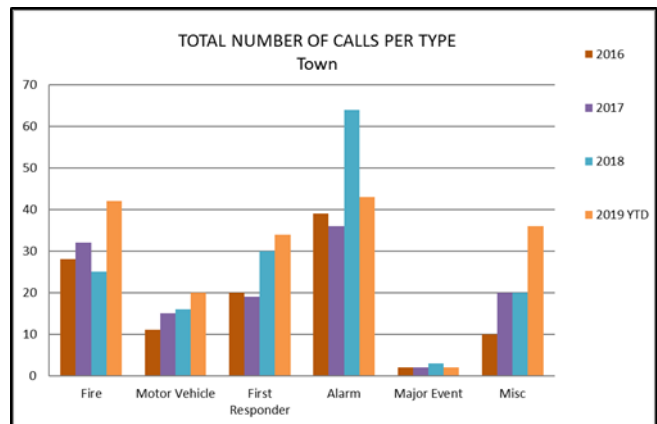
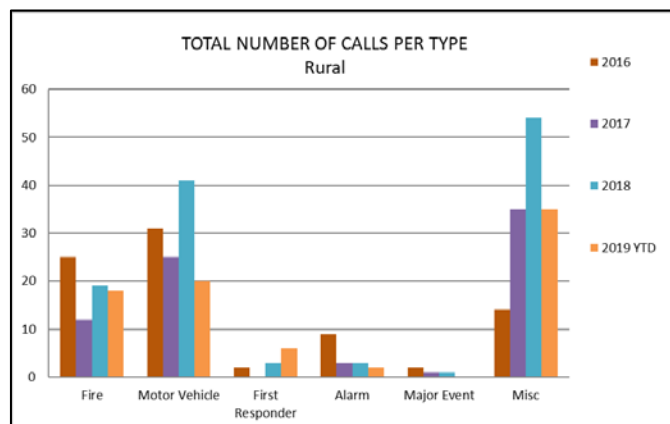
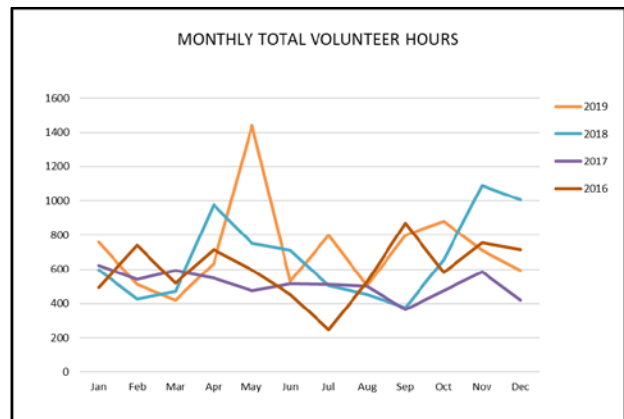
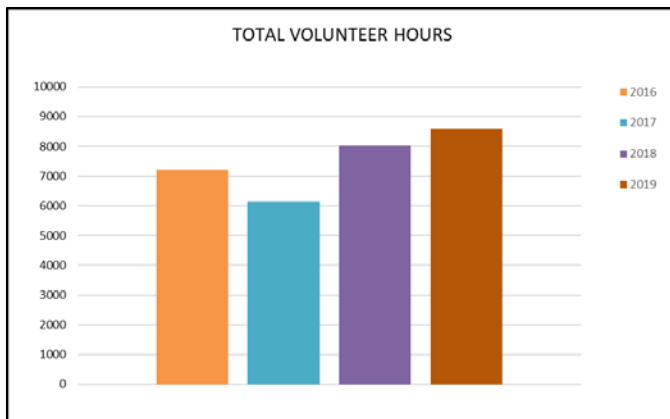
- Organization Effectiveness – create an effective and accountable organization with strong governance structures.

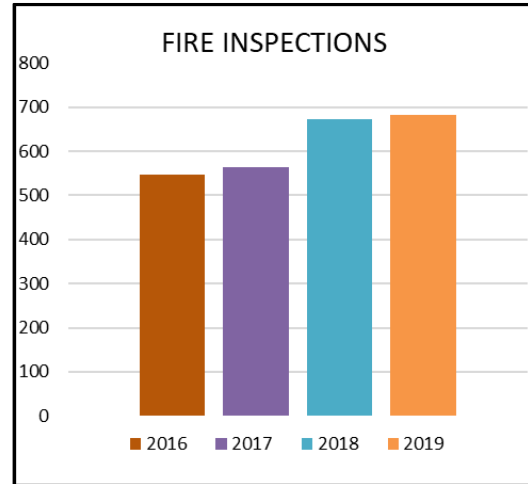
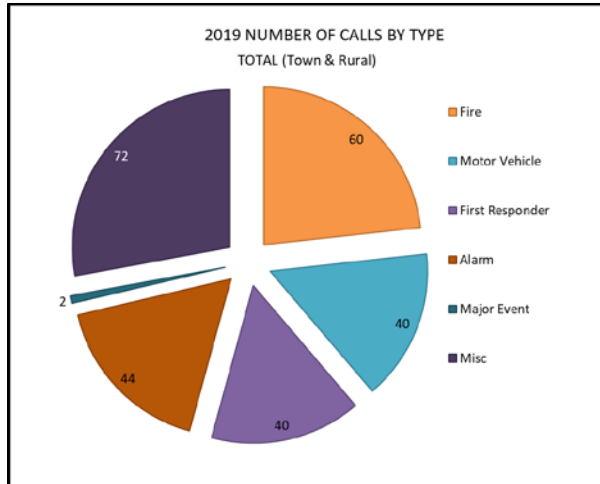
#### Strategic Priorities

- Strengthen organizational effectiveness and culture.

### 2019 Summary

- Purchased new fire engine to replace Engine 12.
- Purchased Structural Protection Trailer for Urban Interface Wildfires.





### 2020 Major Projects and Strategies

- Purchase new Deputy Chief Truck.
- Preparation of an Emergency Evacuation Plan.
- Increase Emergency Support Services capacity.
- Increase Wildland Fire training and equipment capacity.
- Purchase of a portable emergency generator.

## Infrastructure Services

Infrastructure is responsible for the operation and maintenance of the Town's infrastructure as well as construction of specific capital works projects. The areas of responsibility include: Municipal Facilities; Parks and Trail Systems; Transportation Services; Solid Waste and Recycling; Utility Services; and, the Cemetery.

### Municipal Facilities, Parks and Trail Systems and Cemetery

Infrastructure Services maintains municipal buildings, parks and trail systems, arenas and cemetery.

### Solid Waste and Recycling

Solid waste services include garbage collection and single family residential curbside recycling collection.

### Transportation Services

The areas of responsibility include: streets and sidewalks; snow removal and sanding; public works yard; and municipal vehicle fleet.

### Utility Services

Utility services include the potable water supply and distribution system; sanitary sewer system and sewage treatment plant; and, storm water collection system.

## 2019-2022 Council Strategic Plan

### Focus Areas

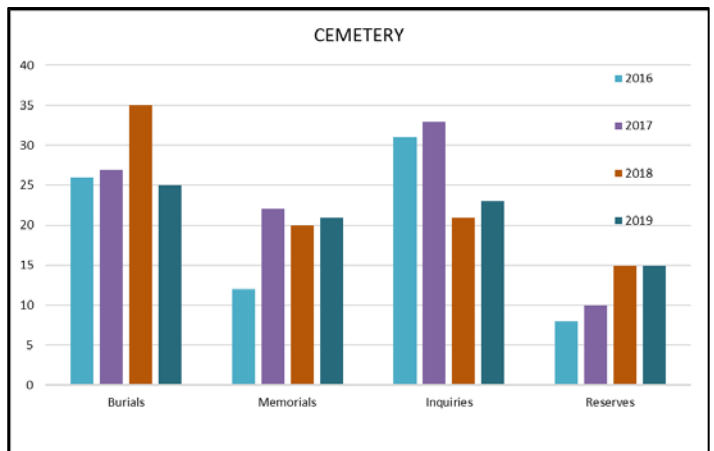
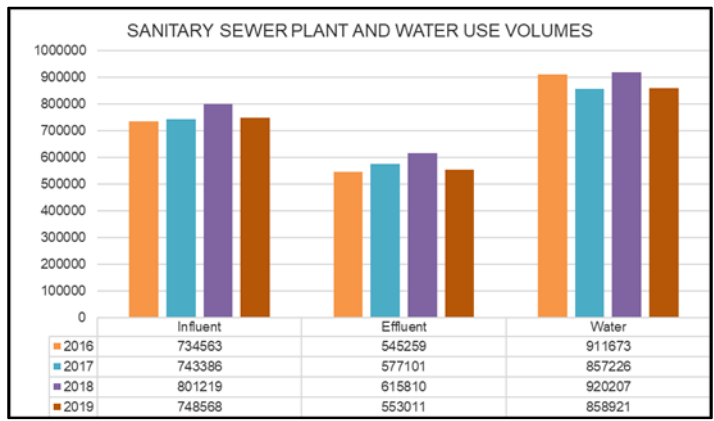
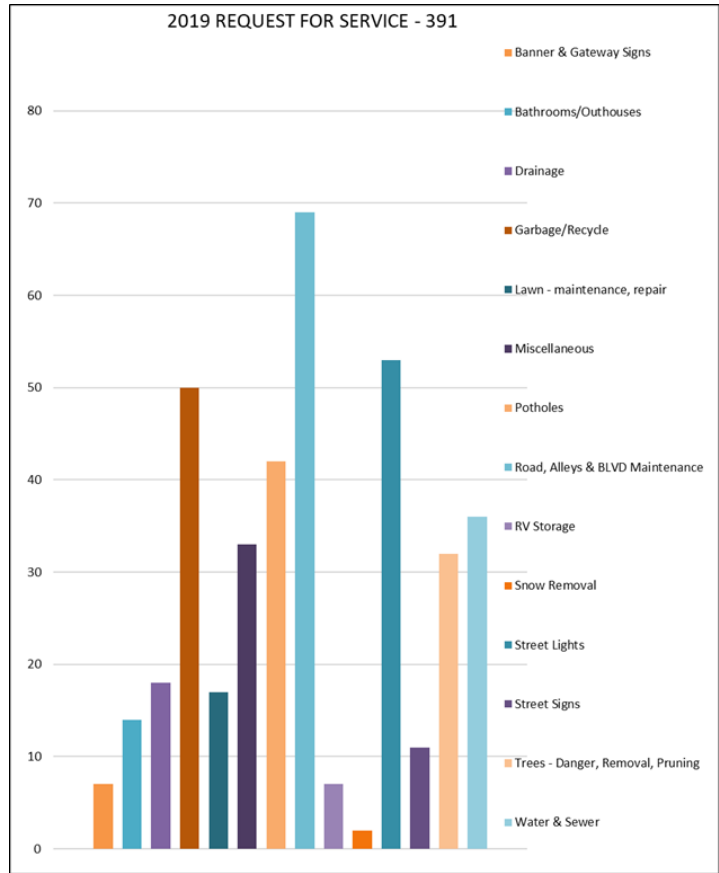
- Environmental Responsibility – Protect our natural environment and resources by reducing our waste, pollution and footprint.
- Organization Effectiveness – create an effective and accountable organization with strong governance structures.

### Strategic Priorities

- Reduce corporate greenhouse gases and facilitate the reduction of community greenhouse gases.
- Increase communication and engagement with residents.

## Infrastructure Services – 2019 Summary

- Update of Gateway Sign and Main Street Policy.
- Purchase of new sewer video camera.
- Purchase of new trenchless sewer service repair equipment, which allows repairs to be completed without excavation and surface reinstatement costs.
- Installation of a salt storage shed for winter operations, in partnership with Ministry of Transportation contractor, Dawson Road Maintenance.
- Update of the Solid Waste Collection Bylaw.
- Installation of pay showers at Riverside Municipal Campground.
- Received 391 Requests for Service, which were in addition to regular communications (around holiday garbage and residential curbside recycling pickup schedules; spring clean-up week; garbage cart sales and delivery; residential curbside recycling cart delivery; snow clearing, water main flushing, etc.).





Salt Shed at Public Works Yard.

## 2020 Major Projects and Strategies

- Cleaning of Moncton Reservoir.
- Purchase a new garbage truck.
- Purchase a new boom flail mower for the Trackless sidewalk maintenance equipment – to be used along trails and walkways with slopes.
- Recycling – continue education and reactivate curbside pickup when Recycle BC establishes a new collection facility.
- Upgrade Airport water system.
- Water looping – Alpine Village Estates – cost share.
- CI Watermain Replacement in lane between Fourth Avenue and Highway 16 and Columbia and Manitoba Streets.
- Water Distribution Communications System Upgrade.
- Annual sewer rehabilitation program.



Boom Flail Mower to be Used on Town Trails, Parks and Ditches



## Library

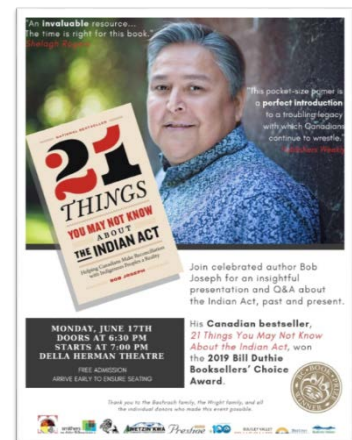
Smithers Regional Library became a municipal service in 2001 and is governed and operated by a volunteer Board of Directors appointed by Council.

The Library is a bustling community hub, providing free Wi-Fi and public computers; popular reading material in print, digital, and audio formats; current and historical information about the area; robots, 3-D printing and other technology for people to experiment with; DVDs; and free programs and events for all ages throughout the year, from infant and toddler programs to author readings and teen nights, in an inclusive, welcoming atmosphere.

The Library also participates in offsite community events such as the Farmers' Market, Pride Day and National Indigenous Peoples Day, to reach more community members and add value to these collaborative events.

### 2019 Summary

- The Library's strategic plan was updated to include priorities around Climate Change and Truth and Reconciliation.
- Circulation of print and digital items exceeded 110,000 in 2019.
- Special program topics in 2019 included Indigenous culture, science, technology, music, health and environment, and more. All library events are free to the public and often at full capacity.
- The Smithers Library-Gallery Project Fundraising Committee raised over \$733,000, with local family Corry and Harvey Tremblay pledging to match those funds up to \$1 million. Internationally renowned pianist and Kawai Artist Jelena Vladikovic joined with many local musicians with a benefit concert to support the project in December 2019.
- The Library partnered with the Regional District of Bulkley Nechako to host a monthly Repair Café. Community volunteers lent their skills in fixing broken or damaged items brought by their neighbours, reducing landfill and saving money.
- Best Selling Author Bob Joseph, the bestselling author of *21 Things You May Not Know About the Indian Act: Helping Canadians Make Reconciliation with Indigenous Peoples a Reality*, spoke to more than 150 people in June, on the topic broadening one's perspective on pertinent historical and current facts.



### 2020 Major Projects and Strategies

- The focus of the Library will remain on supporting our community members with the information they need to stay healthy, build connections, pursue their interests and goals, and make sense of our rapidly changing world.
- The Library will also continue to work towards acquiring a new building that comfortably accommodates the dynamic community we serve.

## Protective Services

Protective Services includes: Bylaw Enforcement and Animal Control, Community Policing, and Fire Rescue Services provided directly by the Town, and Policing Services, which is provided by the RCMP through a contract with the Province.

The Smithers Royal Canadian Mounted Police (RCMP) detachment provides policing service to the Town of Smithers, Telkwa, Witset, Fort Babine, and the surrounding rural community. The Smithers Detachment is an integrated detachment where provincial, municipal, and federally funding policing services work alongside each other together. The Detachment also works closely with community safety volunteers such as the Citizens on Patrol, the Auxiliary Program, DARE, and Unlocking Aboriginal Justice. Community based Victim Services also works alongside the policing service and operations out of the Smithers Detachment building.

### 2019-2022 Council Strategic Plan

#### Focus Areas

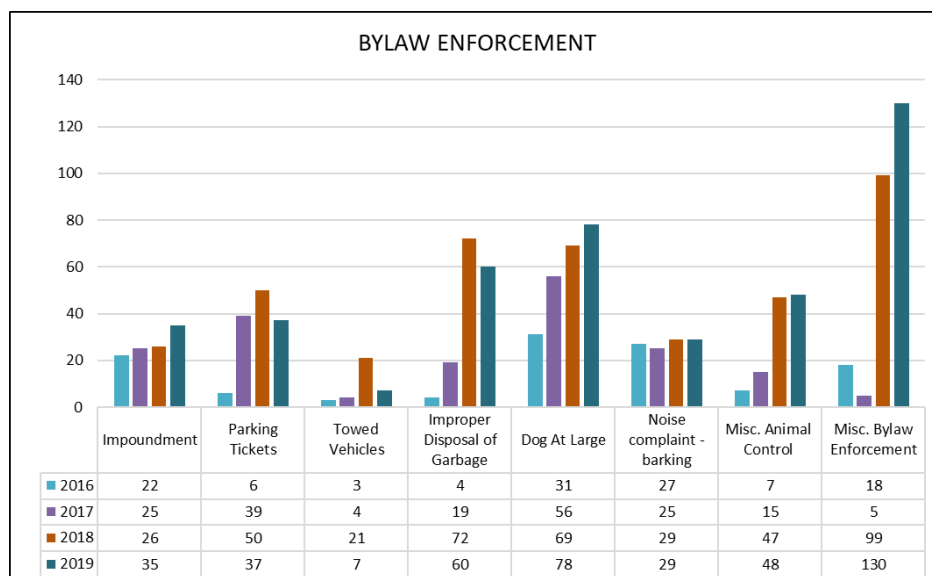
- Organization Effectiveness – create an effective and accountable organization with strong governance structures.

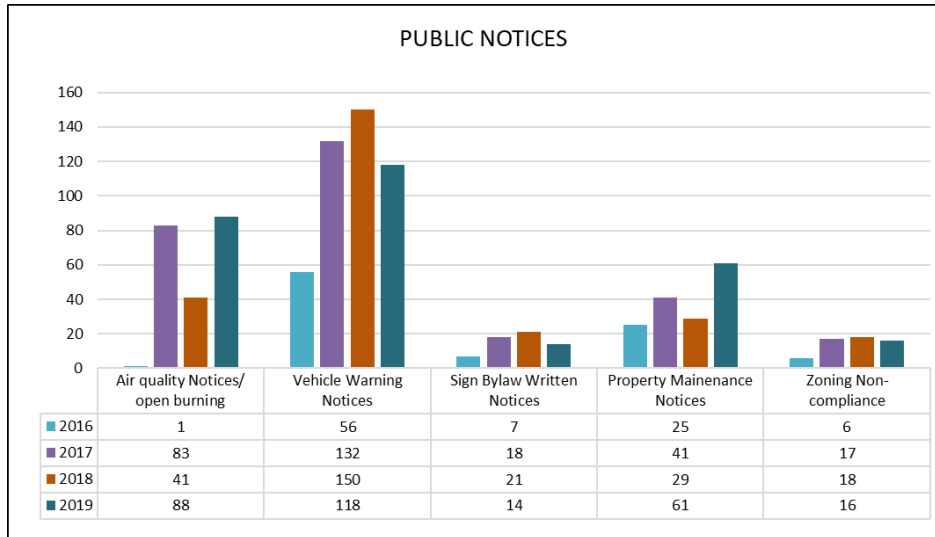
#### Strategic Priorities

- Increase communication and engagement with residents.

### Bylaw Enforcement and Animal Control – 2019 Summary

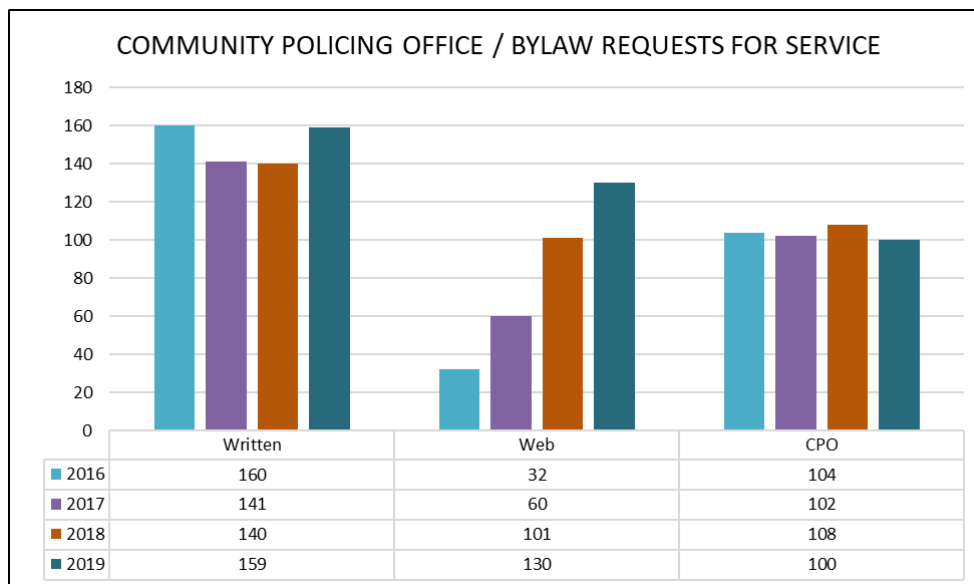
- Maintained partnerships with animal welfare/wildlife management agencies in responding to animal welfare issues as they arise.
- Worked with Development Services engineers to facilitate the installation of a “controlled” pedestrian crosswalk at Muheim School and provide education to students for its appropriate use.
- Engaged the public in creating a community service/community beautification volunteer organization.

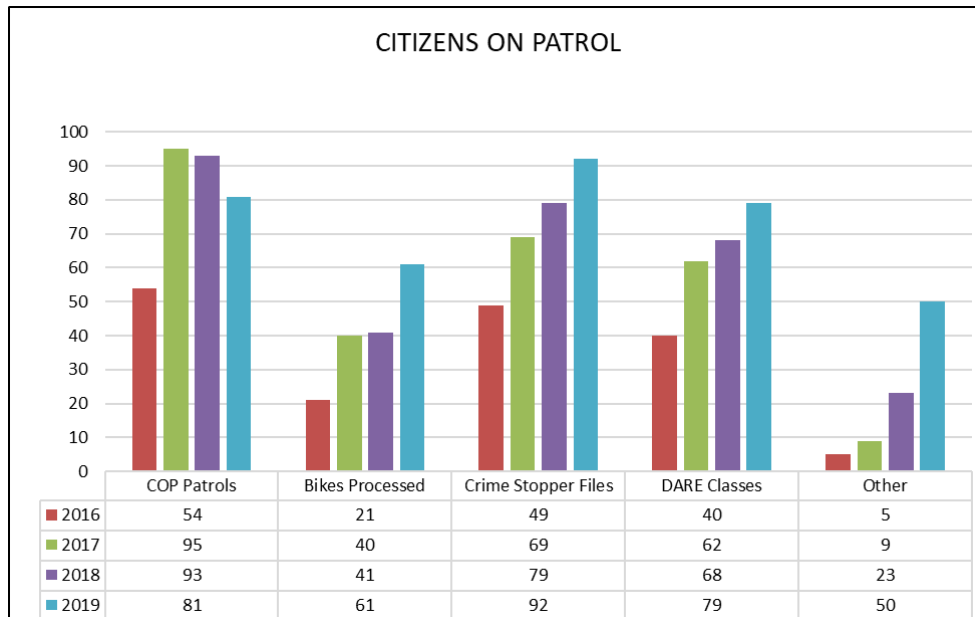




### Community Policing – 2019 Summary

- Continued to provide programming within School District No. 54, in accordance with the RCMP Crime Prevention Education Continuum (ie. DARE, BRAVE, Drug Awareness, Bike Rodeo, etc.).
- Continued to provide educational/engagement opportunities for the community with a focus on Seniors Safety, Youth Engagement, Women’s Safety, and harm reduction for homeless and/or “at risk” populations.
- Conducted Distracted Driving Education focus with student “N” drivers, partnering with ICBC.
- Continued to provide Cannabis education and awareness focused on youth given its recent legalization.





### Bylaw Enforcement and Animal Control – 2020 Major Projects and Strategies

- Purchase of new Bylaw Enforcement vehicle.
- Amend Nuisance Bylaw No. 725 (1985) to include measures for recovering costs of municipal, police, and fire personnel when responding to nuisance properties.
- Create a “Good Neighbour Bylaw Guide”

### Community Policing – 2020 Major Projects and Strategies

- Continue to provide programming within School District No. 54, in accordance with the RCMP Crime Prevention Education Continuum (ie. DARE, BRAVE, Drug Awareness, Bike Rodeo etc.).
- Continue to provide educational/engagement opportunities for the community with a focus on Seniors Safety, Youth Engagement, Women’s Safety, and harm reduction for homeless and/or “at risk” populations.
- Continue to provide Distracted Driving Education focus with student “N” drivers.
- Continue to provide Cannabis education and awareness focused on youth given its recent legalization
- Distracted Driving Education focus with student “N” drivers, partnering with ICBC.
- Continue to provide Cannabis education and awareness focused on youth given its recent legalization.

### RCMP – 2019 Summary

The detachment members made excellent progress in completing tasks and activities in regards to meeting its 2019 performance objectives over the last fiscal year.

- Contribute to community safety/health by reducing alcohol and drug consumption – Area of Focus: Substance Abuse, the detachment conducted DARE training in the schools, conducted licence premise checks at licenced establishments, and completed an interagency party program for high school grad.

- For Enhancement of Police and Community Relationships – Area of focus: Police / Community Relations and Visibility of police, the detachment conducted patrols at Hudson’s Bay Mountain, Foot and Bike Patrols, and engaged with 12 partner agencies to keep communication ongoing.
- For Reduce crimes against persons – Area of focus: Violence / Domestic violence, the detachment conducted VIR training, increased the number of victim services referrals, and conducted training on services offered by the Northern Society for Domestic Peace.
- For Contribute to community safety – Area of focus: Traffic/Impaired driving, the detachment caught over 89 impaired drivers throughout the year.
- For Reduce crimes against Persons and Property – Area of focus: Reducing Property Crime/Criminal Code Offences, the detachment increased the number of breach charges as well as increased the overall number of charges against prolific offenders in the detachment area.

|                                 |       |                    |
|---------------------------------|-------|--------------------|
| Total Files:                    | 5,501 | (Up 3% from 2018)  |
| Violence in Relationship Files: | 219   | (Up 15% from 2018) |
| Drug or Alcohol Files:          | 1,472 | (Up 12% from 2018) |
| Charges forwarded to Crown:     | 227   | (Up 1% from 2018)  |
| Prisoners:                      | 698   | (Up 13% from 2018) |

## RCMP – 2020 Major Projects and Strategies

- Addition of a tenth Municipal Officer.
- 2020 Performance Objectives are a continuation from 2019:
  - Reduction in Alcohol & Drug Addiction
  - Enhance Community-Police Relations
  - Road Safety (Impaired Driving)
  - Healthy & Respectful Workplace
  - Crime Reduction (Prolific Offenders & Domestic Violence)



## Recreation, Parks, and Culture

The Recreation Department is responsible for the provision of programs, services, and facilities focused on active living, healthy lifestyles and building community. The Department provides services related to recreation, leisure and culture including administration and registered programs. Facilities managed within this area include the Civic Centre and the New Arena, Heritage Park Fields, Ranger Park Building, Chandler Park Soccer Fields, Elks Park Ball Diamonds, Bovill Square, and a dozen other developed parks and playgrounds.

Council identified “Community Livability” as one of its key focus areas in its 2019-2022 Council Strategic Plan, with the goal to continue to make Smithers a place where people want to live and visit.

The Plan identified enhancing community life, culture and recreation as a strategic priority.

### 2019-2022 Council Strategic Plan

#### Focus Areas

- Community Livability – Continue to make Smithers a place where people want to live and visit.

#### Strategic Priorities

- Enhance community life, culture and recreation.

### 2019 Summary

- **Arenas and Public Skate Programming**

The Recreation Department secured funding from several community corporate sponsors enabling the continued Free Public Skate Initiative. Public Skate participation has greatly increased, reaching upward of 70+ people per session.

- **Community Programming and Engagement**

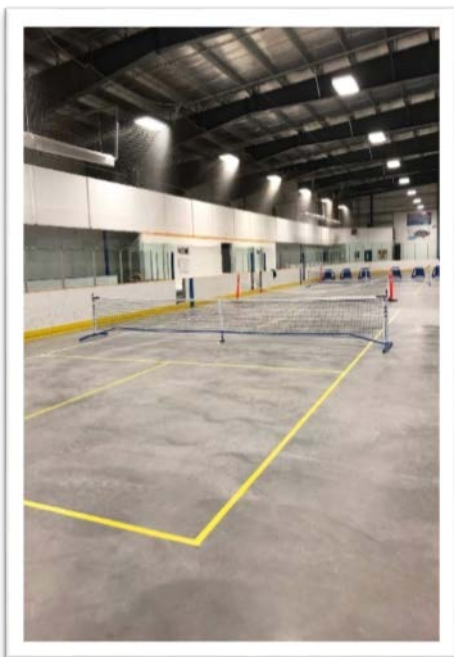
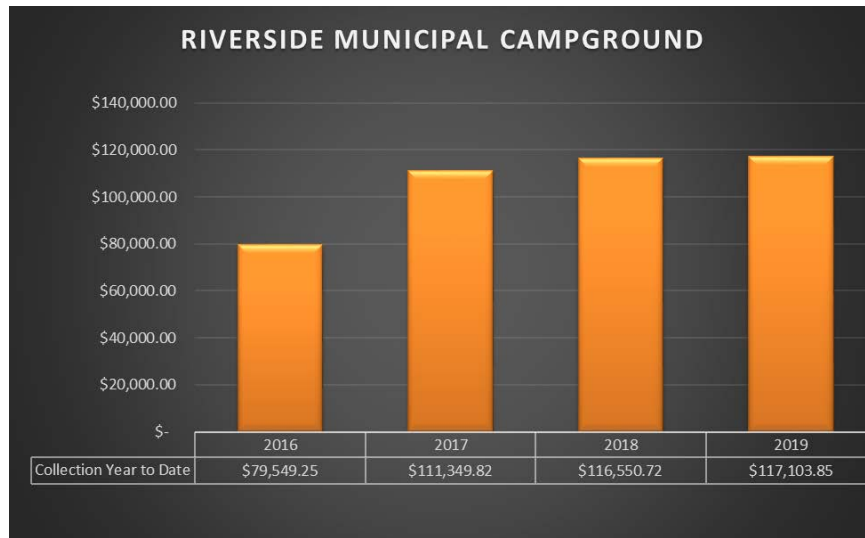
The Recreation Department has made great use of the Ranger Park Building. Some programs offered out of this facility include: **Art Create**, a fun and affordable program to explore creativity through various forms of art for ages 1-12; **Turf Tots Soccer**, an ongoing, introductory soccer program which proves to be a success year after year, offered in partnership with Bulkley Valley Soccer Society for ages 3-5; **Choose to Move**, a free activity coaching program designed for seniors in the community. Choose to Move is a program in partnership with BC Recreation and Parks Association (BCRPA) and BC Institute of Technology (BCIT) and is funded completely by BCRPA for those aged 60+. Introduced Pickle Ball to the New Arena.

- Online registration for programs has streamlined the registration process for both staff and participants.

- “Recreation Smithers” Facebook page continues to grow with a following of over 700.



Photo: Public Skate Session at the New Arena



Pickleball Court at the New Arena



## 2020 Major Projects and Strategies

- Work to create a tiered sponsorship opportunity program for the 2020/2021 ice season.
- Encourage more public events at Bovill Square
- Maintain partnerships with BCRPA in order to bring provincially funded programming to the Town of Smithers in order to offer low-cost or no-cost programming within the community.
- Maintain positive relationships with our contract instructors in order to provide ongoing, quality programming.
- Administer the Riverside Municipal Campground.
- Support Cycle 16 Bike Trail to Telkwa.
- Develop programming at Bovill Square.

## Regional Airport

Smithers Regional Airport became a municipal service in 2009 with its transfer from Transport Canada. This significant milestone was complemented by the strong focus on improving and upgrading facilities and infrastructure positioning our regional airport as a viable economic development entity into the future.

### 2019-2022 Council Strategic Plan

#### Focus Areas

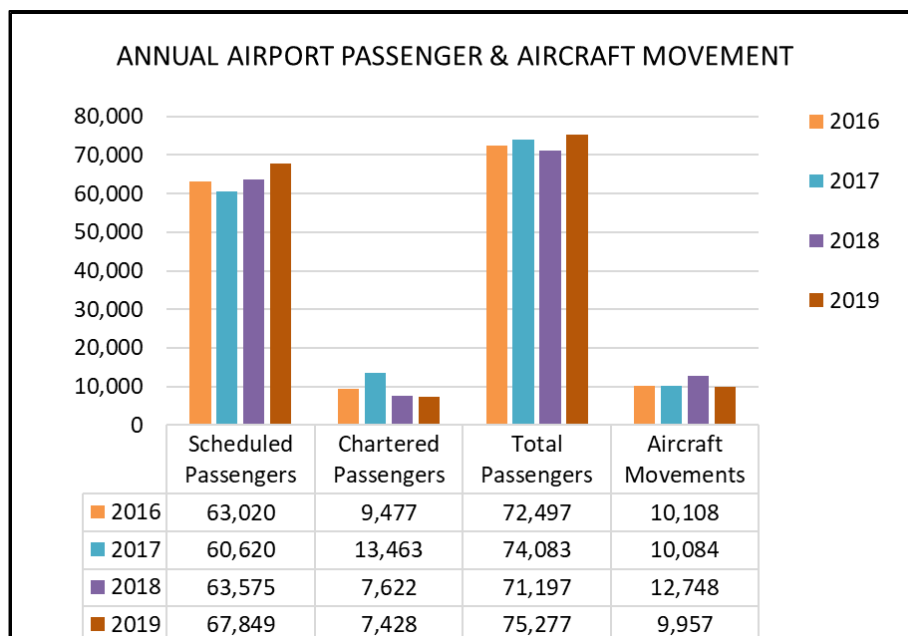
- Our Economy – Foster and enhance a diverse and vibrant economy.

#### Strategic Priorities

- Improve the long-term viability of the airport.

### 2019 Summary

- The new approaches are being used frequently and the airport has received positive feedback on the performance of the approaches.
- Annual runway and taxiway maintenance continues to repair asphalt crack that do not meet regulations.
- Crack sealing improves safety and should help in extending the life of the runway. Increase in the Passenger Fee from \$25 to \$30, with the additional money raised being used for capital upgrades.
- A Co-op student was hired for a six month term in September. The student worked on updating manuals; conducting an airport cost comparison study; assisting with internal safety; and, security audits as well as many other task integral to airport operations.
- The Airport Cost Comparison Study identified Smithers as one of the lowest cost airports for airlines to fly in and out of, and will be used in promoting the Airport as one of the lowest costs per passenger to attract new airlines.







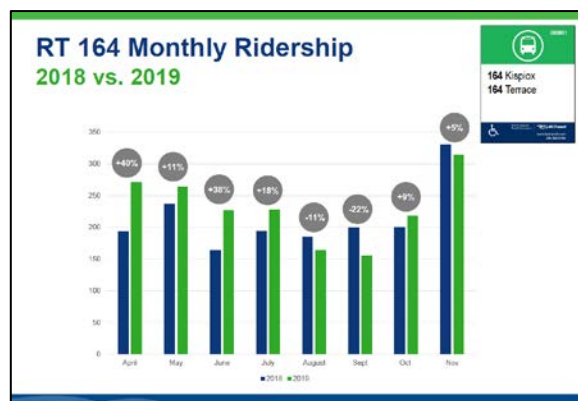
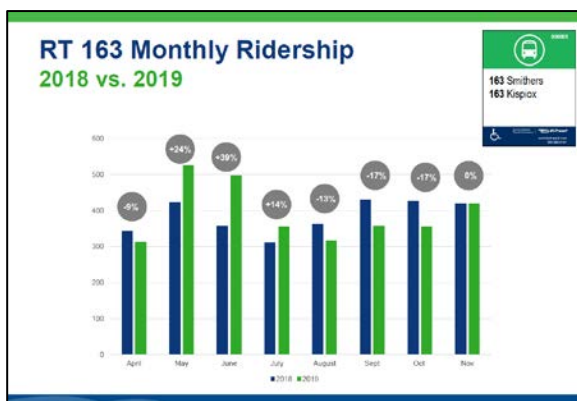
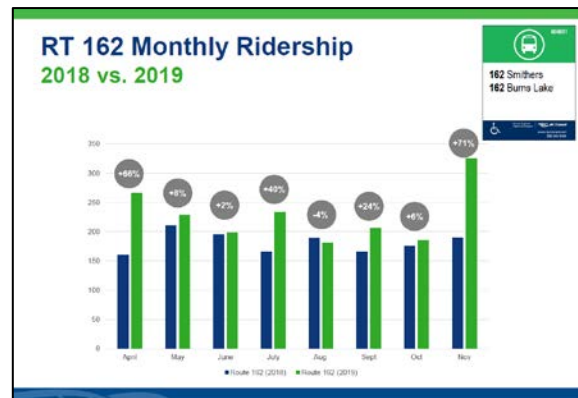
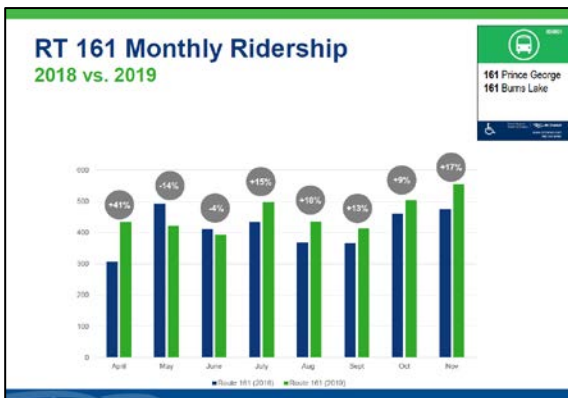
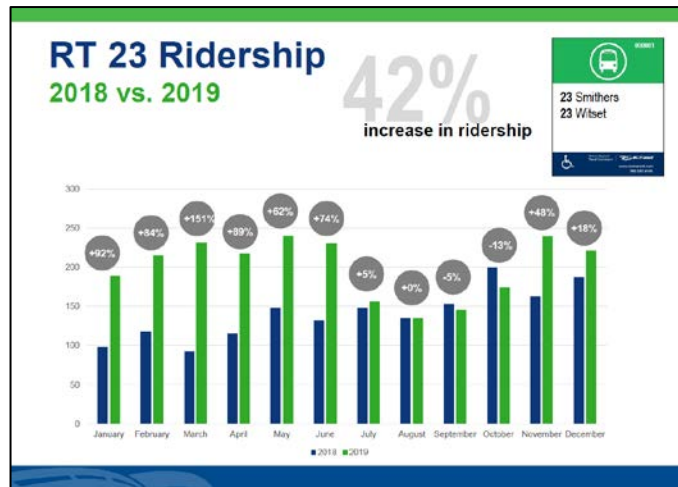
## 2020 Major Projects and Strategies

- Staff will continue to work with the Contractor on a list of minor deficiencies that were carried over at the end of the Airport Modernization Project.
- Internal Safety and Security testing/auditing of all regulatory sensitive areas of the building will continue through 2020.
- Staff will continue with a program of repairing out of standard cracks on the airside as well as capital paving upgrades to the groundside parking and road network.
- Completing Internal Audits of the safety, security, wildlife, emergency management, Airport Operation manual.
- Construction of an access road on the south east end of the runway as a safe place for runway equipment to take refuge is proposed.

# Transit

Since 1991 the Smithers and District Transit Service, operated by the Smithers Community Services Association, has provided public transportation services through a BC Transit agreement. With a combination of curb-to-curb service and scheduled routes operating between Smithers and Telkwa, and Smithers and Moricetown (Witset), service is provided six days per week.

The service is established through a partnership agreement between the Town of Smithers and BC Transit, with funding provided by BC Transit, the Town of Smithers, the Village of Telkwa, the Regional District of Bulkley Nechako and the (Witset) First Nation.



## Descriptions of Success

For each of its Focus Areas within the 2019-2022 Council Strategic Plan, Council has identified Descriptions of Success.

### Our Economy

- We have a highly skilled workforce that is tooled up for the 21st century, we have enough people to fill jobs, and our unemployment rate is low.
- Our community maintains its current business mix, and also has a number of new businesses, including local commercial and light industrial.
- Our service centre, including the airport, has expanded.
- There is greater control and circulation of local capital due to increased local ownership of businesses.
- Effective succession planning has created a good age mix in the business community.
- Our average household income is high, and residents are not living in poverty.
- The commercial vacancy downtown is low.

### Community Livability

- We have a range of housing that is adequate and affordable along economic and demographic spectrums.
- Our population remains stable among all ages, or has increased, while maintaining a small town feel.
- Visitor numbers are growing each year.
- Our downtown is vibrant and strong, with an increased diversity of services.
- We have a strong mix of amenities for all ages.
- Cultural expression in the town is increasing, and is increasingly diverse.
- Our drinking water is clean, safe and untreated.
- The air is clean and our airshed is healthy.

### Environmental Responsibility

- Water entering the river is clean.
- The number of air advisory days is minimal.
- Our community is no longer on the provincial bad air quality list.
- Storm and sanitary sewer have been separated.
- Greenhouse gas emission reductions have met targets.
- There is more park space.
- Waste is reduced.
- There are more trees throughout the community.
- Recycling services and compliance are increased.

## Descriptions of Success (Continued)

### Our Relationship with the Wet'suwet'en

- The protocol agreement between the Town and the Wet'suwet'en has been renewed.
- Members of government meet more frequently, and community to community meetings occur more frequently.
- Channels of communication between the Town and the Wet'suwet'en are open.
- Visibility of First Nations culture in town is increased.
- Indigenous people feel safe and welcome in our community.

### Asset Management

- All decisions are guided by our asset management plan, and new assets are evaluated from a life- cycle cost perspective.
- Residents have equal access to the town's assets.
- Kilometres of repaved surfaces is increased.
- Natural assets are accounted for in asset management.
- Our asset planning and management is Innovative and future proof.

### Organizational Effectiveness

- Employee/staff retention is high, within Town Hall as well as in community businesses
- Staff are happy and satisfied
- The community is satisfied with the service from the Town
- We are an adaptable and resilient organization
- We have strong relations and communications with other governments (including the RD)
- Communication between staff and Council is good
- Our residents are informed

## Permissive Property Tax Exemptions

In accordance with Section 98(2) of the *Community Charter*, the following properties in the Town of Smithers were provided permissive property tax exemptions for 2019 by Council.

| ROLL #                                     | ORGANIZATION  | REASON FOR EXEMPTION   | VALUE    |
|--|---|--|----------|
| <b>Seniors' Homes Exemptions</b>           |   |  |          |
| 0003-010                                   | Northern Health Authority (Bulkley Lodge)   | Long term Care and Housing of Senior Citizens  | \$28,470 |
| 0932-000                                   | Bulkley Senior Citizens Housing Society (Pioneer Place)   | Housing of Senior Citizens   | \$1,212  |
| 1225-380                                   | Bulkley Valley Christian Senior Care Society  | Housing of Senior Citizens, exempt portion is 6,000 sq. ft. building and 25% of the land                 | \$1,894  |
| 1300-500                                   | Bulkley Senior Citizens Housing Society (Pioneer Place)   | Housing of Senior Citizens   | \$1,226  |
| 1300-60                                    | Bulkley Senior Citizens Housing Society (Pioneer Place)   | Housing of Senior Citizens   | \$0      |
| <b>Public Worship Exemptions</b>           |   |  |          |
| 0005-000                                   | Anglican Synod Diocese of Caledonia (Anglican Church)   | Public worship   | \$3,237  |
| 0019-000                                   | BC Corporation of the Seventh Day Adventist (Seventh Day Adventist)                                 | Public worship   | \$639    |
| 0477-004                                   | Roman Catholic Episcopal Corporation of Prince Rupert (St. Joseph's Catholic Church)                | Public worship   | \$1,713  |
| 0692-200                                   | Smithers Fellowship Baptist Church  | Public worship   | \$851    |
| 0747-010                                   | Trustees of the Smithers United Church (United Church)  | Public worship   | \$960    |
| 0789-000                                   | Evangelical Free Church of Smithers   | Public worship   | \$3,524  |
| 0860-720                                   | Christian Reformed Church of Smithers   | Public worship   | \$17,276 |
| 1200-020                                   | Trustees of Smithers Congregation of Jehovah Witness (Jehovah Witness Church)                       | Public worship   | \$1,919  |
| 1225-690                                   | Church of Jesus Christ of Latter Day Saints in Canada (Church of Jesus Christ of Latter Day Saints) | Public worship   | \$2,243  |
| 1228-045                                   | Christian Reformed Church of Smithers   | Exemption to be given once a church building has been constructed and occupancy permit obtained          | \$0      |
| 1717-765                                   | Bethel Reformed Church of Smithers  | Public worship   | \$5,547  |
| <b>Private School Exemptions</b>           |   |  |          |
| 0477-004                                   | Roman Catholic Episcopal Corporation of Prince Rupert (St. Joseph's Catholic Church)                | All of St. Joseph's School excluding the residence and the land that the residence is directly situated. | \$22,066 |
| 1717-200                                   | Christian School Society of Smithers and Telkwa (BV Christian School)                               | School purposes  | \$48,201 |
| 1717-315                                   | Christian School Society of Smithers and Telkwa (BV Christian School)                               | School purposes  | \$697    |
| <b>Hospital Exemptions</b>                 |   |  |          |
| 0694-075                                   | Northern Health (BV District Hospital)  | Non-residential part of the hospital   | \$45,405 |
| <b>Non-Profit Organizations Exemptions</b> |   |  |          |
| 0002-330                                   | Smithers and Area Recycling Society   | 60% of the building and land assessments   | \$1,361  |
| 0110-000                                   | The Grendel Group   | 56% of the building and land assessments   | \$2,088  |

|                              |  |   |          |
|------------------------------|--|---|----------|
| 0133-000                     | Bulkley Valley Branch of the Royal Canadian Legion (Royal Canadian Legion Pacific #63 [Bulkley Valley Branch]) | 100% of the Class 8 building and land assessments. 25% of the Class 6 building and land assessments | \$1,748  |
| 0154-020                     | Bulkley Valley Museum Society (Old St. James Church)   | 100% building and land assessments  | \$2,915  |
| 0162-000                     | Northern Society for Domestic Peace  | 75% of the building and land assessments  | \$8,857  |
| 0178-000                     | Bulkley Valley District Hospital Auxiliary   | 60% of the building and land assessments  | \$5,525  |
| 0238-200                     | Wet'suwet'en Treaty Office Society   | 100% of building and land assessments   | \$15,085 |
| 0274-020                     | Governing Council of the Salvation Army in Canada (Salvation Army Building)                                    | 60% of building and land assessments  | \$3,348  |
| 0708-050                     | Bulkley Valley Gymnastics Association, BV Museum Society, and BV Search and Rescue Society (LB Warner Centre)  | Exemptions to areas leased  | \$5,425  |
| 1223-870                     | BV Search and Rescue Society (Ranger Park Building)  | 100% of the leased area   | \$1,377  |
| 1223-900                     | Central Park Building Society  | 100% of the building and land assessments   | \$12,185 |
| 1501-010                     | Smithers Community Services Association  | 71.6% of the building and land assessments  | \$7,819  |
| 1711-600                     | Smithers and Area Recycling Society (Bulkley Valley Bottle Depot Ltd.)   | 76.5% of the building and land assessments  | \$8,368  |
| 7002-195                     | Bulkley Valley Search and Rescue Society   | 100% of the total assessment  | \$11,229 |
| <b>Recreational</b>          |  |   |          |
| 0602-075                     | Smithers Curling Club  | 100% of the building assessment and the footprint of the land upon with the building sits           | \$12,239 |
| 1224-000                     | Smithers Golf and Country Club   | 100% of the Class 8 land assessment. All Class 6 land and improvements are taxable                  | \$6,448  |
| <b>Partnering Agreements</b> |  |   |          |
| 0655-000                     | Husky Oil Ltd.   | Partnering agreement to allow the Town to use area for public park use from 2013-2022               | \$4,437  |

# 2019 Audited Financial Statements



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**MANAGEMENT REPORT**

The Consolidated Financial Statements of the Town of Smithers have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council of the Town of Smithers is responsible for ensuring that management fulfils its responsibilities for financial reporting and maintaining internal controls and exercises this responsibility through Council. The Council reviews internal financial reports on a monthly basis and external Audited Financial Statements yearly.

The external auditors, Edmison Mehr, Chartered Professional Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to financial management of the Town of Smithers and meet when required.

On behalf of the Town of Smithers

A handwritten signature in black ink that reads "L. Teggarty".

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Lisa Teggarty  
Director of Finance  
August 18, 2020

EDMISON MEHR  
 CHARTERED PROFESSIONAL ACCOUNTANTS

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Partners:  
 BRIAN R. EDMISON, B.A., CPA, CA  
 MICHAEL B. MEHR, B.Comm, CPA, CA  
 JEANNE M. MACNEIL, B.Comm, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the members of the Council of the Town of Smithers:

**Opinion**

We have audited the accompanying financial statements of the Town of Smithers, which comprise the Consolidated Statement of Financial Position as at December 31, 2019, and the Consolidated Statements of Operations, Cash Flows, and Net Financial Assets for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town of Smithers in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the 2019 Annual Financial Report.

Our opinion on the financial statements does not cover the other information and we do not have and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. We obtained the information, other than the financial statements and the auditors' report thereon, included in the 2019 Annual Financial Report as at the date of this auditors' report.

If, based on the work we performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town of Smithers' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Town of Smithers' financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian auditing standards, we exercise professional judgement and maintain professional skepticism through the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Town of Smithers' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town of Smithers' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town of Smithers to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smithers, BC  
August 18, 2020

  
Edmison Mehr

| <b>Town of Smithers</b>  |                      |                            |
|--|----------------------|----------------------------|
| <b>Consolidated Statement of Financial Position</b>            |                      |                            |
| <b>For the Year Ended December 31</b>                          | <b>2019</b>          | <b>2018<br/>(Restated)</b> |
| <b>FINANCIAL ASSETS</b>  |                      |                            |
| Cash and Investments (Note 2)                                  | \$ 16,902,600        | \$ 9,180,614               |
| Accounts Receivable (Note 3)                                   | 846,801              | 1,653,205                  |
| Deposits - Municipal Finance Authority (Note 4)                | 77,687               | 76,857                     |
| Loan Receivable (Note 5)                                       | -                    | 2,109                      |
| Investment in Wetzin'kwa Community Forest Corporation (Note 6) | 1                    | 1                          |
|  | <u>17,827,089</u>    | <u>10,912,786</u>          |
| <b>LIABILITIES</b>   |                      |                            |
| Accounts Payable and Accrued Liabilities (Note 7)              | 2,033,526            | 2,291,959                  |
| Restricted Revenue - Municipal Finance Authority (Note 4)      | 77,687               | 76,857                     |
| Deferred Revenues (Note 8)                                     | 674,003              | 624,923                    |
| Debt (Note 9)  | 4,471,014            | 4,820,794                  |
|  | <u>7,256,230</u>     | <u>7,814,533</u>           |
| <b>NET FINANCIAL ASSETS</b>                                    | <u>10,570,859</u>    | <u>3,098,253</u>           |
| Commitments and Contingencies (Note 13 & 14)                   |                      |                            |
| Subsequent Events (Note 17)                                    |                      |                            |
| <b>NON FINANCIAL ASSETS</b>                                    |                      |                            |
| Tangible Capital Assets (Schedule I)                           | 62,291,640           | 62,982,299                 |
| Prepaid Expenses and Supply Inventory (Note 10)                | 409,274              | 375,723                    |
|  | <u>62,700,914</u>    | <u>63,358,022</u>          |
| <b>ACCUMULATED SURPLUS</b> (Note 11, Schedule II)              | <b>\$ 73,271,773</b> | <b>\$ 66,456,275</b>       |

The accompanying notes and schedules are an integral part of these financial statements.

**Town of Smithers**  
**Consolidated Statement of Operations and Accumulated Surplus**

| For the Year Ended December 31                               | 2019<br>Budget    | 2019<br>Actual    | 2018<br>Actual<br>(Restated) |
|--|-------------------|-------------------|------------------------------|
| <b>REVENUE</b>   |                   |                   |                              |
| Property Taxes and Grants in Lieu (Schedule III)             | \$ 6,768,883      | \$ 6,769,425      | \$ 6,600,923                 |
| Municipal and Regional District Tax (Hotel Tax)              | 190,000           | 245,323           | 210,075                      |
| Interest and Penalties on taxes, including Tax Sale Revenues | 54,000            | 76,452            | 72,108                       |
| Service Charges/User Fees                                    | 3,854,666         | 4,074,706         | 3,887,615                    |
| Government Transfers/Grants (Schedule IV)                    | 21,881,804        | 8,946,973         | 6,428,018                    |
| Investment Income  | 343,073           | 371,176           | 249,484                      |
| Penalties and interest                                       | 2,500             | 3,101             | 3,242                        |
| Franchise fees   | 119,200           | 124,783           | 139,855                      |
| Rentals  | 239,910           | 241,270           | 252,100                      |
| Licenses, permits and fines                                  | 183,660           | 223,187           | 216,822                      |
| Expense Recovery   | -                 | 6,243             | 175,000                      |
| Contributions from other groups, including donations         | 1,936,000         | 753,838           | 247,088                      |
| Developer contributed tangible capital assets                | -                 | 80,200            | 314,318                      |
| Gain on disposal of capital                                  | -                 | 110,633           | 17,772                       |
|  | <u>35,573,696</u> | <u>22,027,310</u> | <u>18,814,420</u>            |
| <b>EXPENSES (Schedule V)</b>                                 |                   |                   |                              |
| Council  | 214,923           | 191,701           | 195,952                      |
| Corporate Services   | 1,568,505         | 1,495,661         | 1,482,857                    |
| Community and Protective Services                            |                   |                   |                              |
| Protective Services, including RCMP                          | 2,910,686         | 2,899,795         | 2,653,862                    |
| Public Health, Cemetery Services                             | 52,039            | 49,282            | 52,845                       |
| Recreation and Cultural Services                             | 1,814,667         | 2,264,211         | 1,974,324                    |
| Integrated Growth and Infrastructure                         |                   |                   |                              |
| Transportation and Transit Services                          | 2,306,135         | 2,120,975         | 2,290,887                    |
| Solid Waste Management & Recycling Services                  | 232,818           | 281,102           | 285,180                      |
| Utility Services, Water, Sanitary Sewer and Storm Sewer      | 1,632,433         | 1,603,699         | 1,700,811                    |
| Planning and Development Services                            | 704,852           | 627,648           | 679,266                      |
| Economic Development, including Tourism Services             | 508,372           | 431,668           | 362,056                      |
| Airport  | 2,543,945         | 2,754,144         | 2,774,608                    |
| Library  | 513,126           | 491,926           | 447,962                      |
|  | <u>15,002,501</u> | <u>15,211,812</u> | <u>14,900,610</u>            |
| <b>Excess of revenue over expenses</b>                       | 20,571,195        | 6,815,498         | 3,913,810                    |
| <b>Accumulated surplus, beginning of year</b>                | 66,456,275        | 66,456,275        | 62,542,465                   |
| <b>Accumulated surplus, end of year</b>                      | \$ 87,027,470     | \$ 73,271,773     | \$ 66,456,275                |

The accompanying notes and schedules are an integral part of these financial statements.

**Town of Smithers**  
**Consolidated Statement of Change in Net Assets (Debt)**

| <b>For the Year Ended December 31</b>           | <b>2019<br/>Budget</b> | <b>2019<br/>Actual</b>      | <b>2018<br/>Actual<br/>(Restated)</b> |
|---|------------------------|-----------------------------|---------------------------------------|
| Excess of revenue over expenditures             | \$ 20,571,195          | <b>\$ 6,815,498</b>         | \$ 3,913,810                          |
| Acquisition of tangible capital assets          | (18,601,940)           | <b>(2,817,856)</b>          | (8,072,506)                           |
| Contributed tangible capital assets             | -                      | <b>(80,200)</b>             | (314,318)                             |
| Proceeds on disposal of tangible capital assets | 75,000                 | <b>200,000</b>              | 40,588                                |
| Amortization of tangible capital assets         | 3,000,000              | <b>3,499,348</b>            | 3,430,097                             |
| Gain on disposal of tangible capital assets     | -                      | <b>(110,633)</b>            | (17,772)                              |
|   | <u>(15,526,940)</u>    | <u><b>690,659</b></u>       | <u>(4,933,911)</u>                    |
| Use (acquisition) of prepaid expenses           | -                      | <b>(53,671)</b>             | 2,350                                 |
| Use (acquisition) of inventory of supplies      | -                      | <b>20,120</b>               | (35,131)                              |
|   | <u>-</u>               | <u><b>(33,551)</b></u>      | <u>(32,781)</u>                       |
| <b>Net change in net assets (debt)</b>          | 5,044,255              | <b>7,472,606</b>            | <b>(1,052,882)</b>                    |
| <b>Net assets</b> , beginning of year           | 3,098,253              | <b>3,098,253</b>            | 4,151,135                             |
| <b>Net assets</b> , end of year                 | <u>\$ 8,142,508</u>    | <u><b>\$ 10,570,859</b></u> | <u>\$ 3,098,253</u>                   |

The accompanying notes and schedules are an integral part of these financial statements.

**Town of Smithers  
Consolidated Statement of Cash Flow**

| <b>For the Year Ended December 31</b>               | <b>2019</b>          | <b>2018<br/>(Restated)</b> |
|---|----------------------|----------------------------|
| <b>Operating transactions</b>                       |                      |                            |
| Excess of revenue over expense                      | \$ 6,815,498         | \$ 3,913,810               |
| Items not involving cash                            |                      |                            |
| Acturial Adjustment                                 | (72,877)             | (61,447)                   |
| Amortization  | 3,499,348            | 3,430,097                  |
| Gain on disposal of tangible capital asset          | (110,633)            | (17,772)                   |
| Contributed capital assets                          | (80,200)             | (314,318)                  |
| Changes in non-cash assets and liabilities          |                      |                            |
| Receivables   | 806,404              | (712,284)                  |
| Prepays   | (53,671)             | 2,350                      |
| Inventory for consumption                           | 20,120               | (35,131)                   |
| Accounts payable and accrued liabilities            | (258,433)            | (696,652)                  |
| Deferred revenue                                    | 49,080               | (219,328)                  |
|   | <b>10,614,636</b>    | <b>5,289,325</b>           |
| <b>Capital activities</b>                           |                      |                            |
| Acquisition of tangible capital assets              | (2,817,856)          | (8,072,506)                |
| Proceeds on sale of tangible capital assets         | 200,000              | 40,588                     |
|   | <b>(2,617,856)</b>   | <b>(8,031,918)</b>         |
| <b>Investing activities</b>                         |                      |                            |
| Payments from Curling Club                          | 2,109                | 5,000                      |
| <b>Financing transactions</b>                       |                      |                            |
| Proceeds of debt                                    | -                    | 240,000                    |
| Repayment of debt                                   | (276,903)            | (228,903)                  |
|   | <b>(276,903)</b>     | <b>11,097</b>              |
| <b>Net change in cash and cash equivalents</b>      | <b>7,721,986</b>     | <b>(2,726,496)</b>         |
| <b>Cash and cash equivalents, beginning of year</b> | <b>9,180,614</b>     | <b>11,907,110</b>          |
| <b>Cash and cash equivalents, end of year</b>       | <b>\$ 16,902,600</b> | <b>\$ 9,180,614</b>        |

The accompanying notes and schedules are an integral part of these financial statements.

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**Town of Smithers  
Notes to Financial Statements****December 31, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES****Management's Responsibility for the Consolidated Financial Statements**

The Town of Smithers was incorporated as a municipality in 1921. These financial statements are the representation of management, prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town are as follows:

**Reporting Entity**

The Town is a municipality incorporated under the laws of the Province of British Columbia and operates under the provisions of the *Community Charter and Local Government Act*.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balances, and change in financial position of the reporting entity. This entity is comprised of the municipal operations that are owned or controlled by the Town, which includes the Smithers Public Library. The statements exclude trust assets that are administered by the Town for the benefit of external parties. Interfund transactions have been eliminated on consolidation.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

**Revenue Recognition**

The Town of Smithers follows the restricted contribution method for recording revenues. Restricted contributions related to general operations are recognized as revenue in the Operating Funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenue is recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the Town renders the service or product.

**Financial Assets and Liabilities**

The Municipality is not subject to significant risk from market, foreign currency, price or risk. The significant financial risk to which the Municipality is exposed include the following:

**Interest Rate Risk:**

The Town of Smithers is exposed to Interest rate risk to the extent that the cash and term deposits maintained at the financial institutions are subject to a floating rate of interest. Fixed interest instruments subject the Town to a fair value risk, while the floating rate interest subject it to a cash flow risk.



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**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Credit Risk:

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, accounts receivable, and loans receivable from a related party. The Municipality limits its exposure to credit loss by placing its cash with Canadian financial institutions. Credit Risk for cash is concentrated as the Municipality's cash is held primarily at one financial institution. Management believes the risk from concentration loss to be remote. The Municipality's maximum exposure to credit risk from accounts receivable and loans to related parties are the amounts disclosed in the statement of financial position. The Municipality limits credit risk associated with accounts receivable and loans receivable from related parties by limiting credit to only credit worthy customers and formalizing timely collection procedures. Consequently, management believes that the remaining credit risk vulnerability with respect to accounts receivable and loans to related parties is not significant.

Fair Value:

The Municipality estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

Liquidity Risk:

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at December 31, 2019 the Town of Smithers has unrestricted cash of \$8,304,316 (**2018**: \$6,514,560) to settle its total liabilities of \$7,256,230 (**2018**: \$7,817,533).

**Expense Recognition**

Operating and Capital Expenses are recognized on the accrual basis in the period when goods and services have been received. Interest expense is accrued on long-term debt to year-end.

**Government Transfers**

Government transfers are recognized as revenues, or expenses, in the period that the events giving rise to the transfers occur.

Entitlement transfers are received from the provincial and federal governments according to prescribed legislation and/or regulations. These can include the Small Community Grant and the Traffic Fine Sharing Revenue.

**Cash and Investments**

Investments are recorded at cost, except for Investment in the Municipal Financial Authority (MFA) of British Columbia pooled investments, which are carried at market value. Cash and investments include cash held on deposit, investment held with the MFA and term deposits held with the Bulkley Valley Credit Union and Cannacord.

**Inventory**

Inventory is comprised of supply inventory. Inventory is valued at the lower of cost or net realizable value and is recorded at weighted average. No items were written down to net realizable value.

## Town of Smithers Notes to Financial Statements

December 31, 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Tangible Capital Assets

Tangible Capital Assets, comprised of capital assets and capital work-in-progress, are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Tangible capital assets are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair market value at the time of donation. Estimated useful lives are as follows:

| <u>Major Asset Category</u>                    | <u>Useful Life Range</u> |
|--|--------------------------|
| Land   | Unlimited                |
| Buildings                                      | 15 to 50 Years           |
| Machinery & Equipment, Vehicles                | 5 to 20 Years            |
| Office Equipment and Computers                 | 5 to 10 Years            |
| Engineering Structures (Roads, Streets, Parks) | 10 to 75 Years           |
| Utility Systems (Water, Sewer, Storm)          | 20 to 100 Years          |

An impairment loss is recognized when the carrying amount of a tangible capital asset is not fully recoverable. The loss is measured as the excess carrying amount over its fair value. The fair value is the market value or the sum of the undiscounted cash flows expected to result from its use or eventual disposition. Tangible capital assets are tested for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

#### Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

#### Budget Presentation:

Budget amounts are from the Town's Five Year Financial Plan for the years 2019-2023, adopted by Council on May 14, 2019 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 14). The Smithers Public Library's 2019 budget, as approved by Council, has been included with the Town's budget figures within the financial statements.

#### Comparative Figures:

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

#### Financial Instruments:

##### Measurement of Financial Instruments:

The Town of Smithers initially measures its financial assets and financial liabilities at fair value.

The Town subsequently measures all of its financial assets and financial liabilities at amortized cost, except for the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial Assets measured at amortized cost include accounts receivable, deposits - MFA, loans receivable and investment in Wetzin'kwa Community Forest Corporation.

**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Liabilities measured at amortized cost include accounts payable and accrued liabilities, restricted revenue-MFA, deferred revenue and long-term debt.

Impairment:

Financial Assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction Costs:

The Town recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

**2. CASH AND CASH EQUIVALENTS**

|  | <b>2019</b>   | <b>2018</b>  |
|--|---------------|--------------|
| Restricted Cash and Investments - Statutory Reserves | \$ 8,435,424  | \$ 2,493,051 |
| Unrestricted Cash and Investments                    | 8,304,316     | 6,514,560    |
| Smithers Public Library Cash                         | 47,913        | 60,211       |
| Smithers Public Library Investments                  | 114,947       | 112,792      |
|  | \$ 16,902,600 | \$ 9,180,614 |

Cash and Investments include \$12,351,651 (**2018:** \$4,131,368) invested in the Money Market, Intermediate Fund and Bond Fund Investments within the Municipal Finance Authority (MFA) Pooled Investment program; and \$4,550,949 (**2018:** \$5,049,246) in Term Deposits.

Interest earned on investments throughout the year averaged 1.61% for Term Deposits and 1.64% for the MFA Pooled Investments.

**3. ACCOUNTS RECEIVABLE**

|  | <b>2019</b> | <b>2018</b>  |
|--|-------------|--------------|
| Due from Provincial Government                 | \$ 31,042   | \$ 110,195   |
| Due from Federal Government                    | 38,370      | 100,032      |
| Trade and Accrued Receivables                  | 329,542     | 373,881      |
| Utilities Receivable                           | 17,779      | 14,995       |
| Taxes Receivable                               | 287,719     | 255,597      |
| Tax Sale Property Subject to Redemption        | -           | 1,810        |
| Due From Other Government Bodies/Organizations | 133,330     | 790,238      |
| Smithers Public Library Accounts Receivables   | 9,019       | 6,457        |
|  | \$ 846,801  | \$ 1,653,205 |

Accounts Receivables are shown net of estimated uncollectible receivables.

**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

**4. MUNICIPAL FINANCE AUTHORITY DEPOSITS (RESTRICTED REVENUE)**

|                | <u>2019</u>       | <u>2018</u>       |
|----------------|-------------------|-------------------|
| Cash Deposits* | \$ 77,687         | \$ 76,857         |
| Demand Notes   | 170,173           | 172,931           |
|                | <u>\$ 247,860</u> | <u>\$ 249,788</u> |

The Town of Smithers issues its debt instruments through the Municipal Finance Authority of BC (MFA). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town with interest and the demand notes are cancelled.

\*Only the cash deposits portion of the MFA Deposits is included as a Financial Asset. The Demand Notes are not included in the Consolidated Financial Statements.

**5. LOANS RECEIVABLE**

|                               | <u>2019</u> | <u>2018</u> |
|-------------------------------|-------------|-------------|
| Loan to Smithers Curling Club | \$ -        | \$ 2,109    |

The Town of Smithers approved a loan to the Smithers Curling Club, under the authority of Section 24 of the Community Charter, to provide assistance to the club to pay for their ice plant. The loan was repaid in March 2019.

**6. INVESTMENT IN WETZIN'KWA COMMUNITY FOREST CORPORATION**

Pursuant to Section 185 of the Community Charter, the Town of Smithers and the Village of Telkwa were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'kwa Management Services Ltd (previously called 0765119 B.C. Ltd.) and Wetzin'kwa Community Forest Corporation. The sole shareholders of Wetzin'kwa Management Services Ltd are the Town of Smithers and the Village of Telkwa, at 100 shares valued at \$1. Wetzin'kwa Management Services Ltd is the sole shareholder of the Wetzin'kwa Community Forest Corporation.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| Trade Payables and Accrued Liabilities                | \$ 1,050,159        | \$ 977,563          |
| Payroll Payable and Accrued Payroll Benefits          | 668,174             | 839,704             |
| Due to Provincial Government                          | 23,025              | 24,734              |
| Due to Other Government Bodies                        | 734                 | 20,685              |
| Holdbacks and Refundable Contracts Securities Payable | 259,514             | 405,570             |
| Smithers Public Library Accounts Payables             | 31,920              | 23,703              |
|   | <u>\$ 2,033,526</u> | <u>\$ 2,291,959</u> |

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**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Continued)**

Accrued Payroll benefits include an estimated value for accrued sick pay that could be paid out over the next few years to employees, in accordance with the provisions of the CUPE Union agreement.

Effective April 1, 2016 Canadian municipalities are required under PSAB 3260 to account for contaminated site liabilities that exist on non-productive municipal owned lands. The Town had identified one site within the LB Warner property that had known remaining contaminated soil. The past estimated cost of remediation, \$175,000, of this site has been moved, in 2018, from the Contaminated Sites Liability accrual to Contaminated Sites Operating Reserve (see Schedule I), since this amount has been budgeted in the 2019 Capital Plan to be used to remediate the LB Warner site. There are other identified contaminated sites but they are within sites that are in productive use.

**8. DEFERRED REVENUES**

|  | <b>2019</b>       | <b>2018</b>       |
|--|-------------------|-------------------|
| Other Operating Revenue Received in Advance          | \$ 159,644        | \$ 98,514         |
| Special Operating Project Grants Received in Advance | 9,943             | 43,248            |
| Capital Funding/Grants Received in Advance           | 43,600            | 49,602            |
| Deferred Tax Revenue                                 | 450,234           | 417,679           |
| Smithers Public Library Deferred Revenue             | 10,582            | 15,880            |
|  | <b>\$ 674,003</b> | <b>\$ 624,923</b> |

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**Town of Smithers  
Notes to Financial Statements**

December 31, 2019

**9. DEBT**

| Purpose  | Municipal<br>Bylaw | Maturity<br>Date | Interest<br>Rate | 2019                | 2018                |
|--|--------------------|------------------|------------------|---------------------|---------------------|
| <b><u>Debenture Debt Outstanding - Tax Supported</u></b> |                    |                  |                  |                     |                     |
| <b>General Capital</b>                                   |                    |                  |                  |                     |                     |
| Hwy 16   | 1402               | June 2022        | 1.75%            | \$ 109,260          | \$ 142,268          |
| Hwy 16   | 1427               | June 2023        | 2.10%            | 142,268             | 173,704             |
| Hwy 16   | 1328               | April 2024       | 2.40%            | 173,704             | 203,643             |
| 2nd Avenue Sidewalk                                      | 1548               | June 2019        | 4.90%            | -                   | 2,738               |
| 1st Avenue Sidewalk                                      | 1597               | June 2020        | 4.50%            | 2,036               | 3,993               |
| 4200 Block 2nd Avenue                                    | 1657               | April 2033       | 3.15%            | 114,753             | 120,785             |
| New Arena  | 1508               | April 2034       | 3.30%            | 531,772             | 557,308             |
| <b><u>Debenture Debt Outstanding - Fee Supported</u></b> |                    |                  |                  |                     |                     |
| <b>Utility Capital</b>                                   |                    |                  |                  |                     |                     |
| Railway Ave Sewer  | 1443               | April 2019       | 2.40%            | -                   | 3,562               |
| South Trunck Storm Sewer                                 | 1601               | April 2026       | 4.20%            | 431,865             | 484,440             |
| <b>Airport Capital</b>                                   |                    |                  |                  |                     |                     |
| Terminal Modernization                                   | 1808               | Oct 2037         | 3.15%            | 2,773,356           | 2,888,353           |
| <b><u>Other Debt Outstanding - Tax Supported</u></b>     |                    |                  |                  |                     |                     |
| <b>Airport Capital</b>                                   |                    |                  |                  |                     |                     |
| Sweeper  | 1833               | Dec 2023         | variable         | 192,000             | 240,000             |
|  |                    |                  |                  | <u>\$ 4,471,014</u> | <u>\$ 4,820,794</u> |

Principal and interest payments on debt in the next five years are as follows:

|       | <b>Principal</b>    | <b>Acturial</b>   | <b>Interest</b>   |
|-------|---------------------|-------------------|-------------------|
| 2020  | \$ 273,180          | \$ 80,858         | \$ 193,457        |
| 2021  | 271,750             | 93,317            | 191,751           |
| 2022  | 271,750             | 105,820           | 186,056           |
| 2023  | 256,629             | 95,658            | 174,736           |
| 2024  | 193,507             | 57,300            | 161,326           |
| <hr/> |                     |                   |                   |
|       | <u>\$ 1,266,816</u> | <u>\$ 432,953</u> | <u>\$ 907,326</u> |

**10. PREPAID EXPENSES AND SUPPLY INVENTORY**

|  | 2019              | 2018              |
|--|-------------------|-------------------|
| Prepaid Expenses                         | \$ 170,769        | \$ 117,634        |
| Inventory of Supplies                    | 235,793           | 255,913           |
| Smithers Public Library Prepaid Expenses | 2,712             | 2,176             |
| <hr/>                                    |                   |                   |
|  | <u>\$ 409,274</u> | <u>\$ 375,723</u> |

**Town of Smithers**  
**Notes to Financial Statements**

**December 31, 2019**

**11. ACCUMULATED SURPLUS**

Accumulated surplus consists of reserves, which are funds committed and set aside for future expenditures, equity in tangible capital assets, and unrestricted surpluses as follows:

|   | 2019          | 2018<br>(Restated) |
|---|---------------|--------------------|
| <u>Operating Reserves</u>                       |               |                    |
| Economic Development Reserve                    | \$ 29,973     | \$ 20,609          |
| Legal Reserve                                   | 14,549        | 14,549             |
| Skateboard Park Donation Reserve                | 58,800        | 58,800             |
| Contaminated Sites Reserve                      | 175,000       | 175,000            |
| Municipal Election Reserve                      | 5,000         | -                  |
| Recycling Reserve                               | 73,429        | 60,929             |
| Emergency Services Reserve                      | 25,985        | 25,985             |
| Snow Removal Reserve                            | 15,000        | -                  |
| <u>Capital Reserves</u>                         |               |                    |
| Debenture Surplus Funds                         | 61,860        | 60,824             |
| Cemetery Capital Development Fund               | 14,851        | 38,443             |
| Federal Gas Tax Fund - UBCM                     | 745,925       | 399,695            |
| Facility Maintenance Capital Reserve            | 167,422       | 141,422            |
| Wetzinkwa Community Forest                      | 130,095       | 105,219            |
| Library Art Gallery                             | 393,153       | 150,518            |
| <u>Statutory Reserves</u>                       |               |                    |
| Capital Works / Land Sales Reserve              | 276,565       | 74,832             |
| Park Land Reserve                               | 37,008        | 36,241             |
| Infrastructure Reserve                          | 85,820        | 63,691             |
| Equipment Replacement Reserve                   | 472,581       | 1,123,680          |
| Parking In-Lieu Reserve                         | 29,769        | 29,152             |
| Recreational Facilities Reserve                 | 20,440        | 25,266             |
| Forestry Reserve Fund                           | 147,382       | 148,077            |
| Airport Machinery and Equipment Reserve         | 19,509        | 3,968              |
| Ambleside Reserve Fund                          | 140,580       | 101,665            |
| GHG Emission Reserve                            | 75,628        | 57,400             |
| Airport Infrastructure Reserve                  | 688,807       | 828,947            |
| Local Area Service Fund                         | 131           | 131                |
| Facility Replacement Reserve                    | 25,529        | -                  |
| Utility Infrastructure Reserve                  | 92,654        | -                  |
| Northern Capital Reserve (Schedule VI)          | 6,323,020     | -                  |
|   | 10,346,465    | 3,745,043          |
| Equity in Tangible Capital Assets (Schedule II) |               |                    |
| Tangible Capital Assets                         | 129,449,258   | 126,642,819        |
| Amortization                                    | (67,157,618)  | (63,660,520)       |
| Debt  | (4,471,014)   | (4,820,794)        |
|   | 57,820,626    | 58,161,505         |
| <u>Unrestricted Surplus</u>                     |               |                    |
| Operations                                      | 1,726,360     | 1,338,801          |
| Airport   | 1,051,868     | 1,031,973          |
| RCMP  | 470,024       | 599,269            |
| Utilities                                       | 1,730,235     | 1,446,851          |
| Library   | 126,195       | 132,833            |
|   | 5,104,682     | 4,549,727          |
|   | \$ 73,271,773 | \$ 66,456,275      |

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**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

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**12. Segmented Information :**

The Town of Smithers is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

**Council**

This segment includes the revenue and expenses associated with Council.

**Corporate Services**

This segment includes the revenue and expenses associated with the CAO, General Administration, Finance, Information Technology and the Municipal Building services.

**Protective Services**

This segment includes the revenue and expenses associated with Municipal RCMP, Fire Department, Bylaw Enforcement, and Animal Control services. Taxation collected for RCMP services is allocated to Protective Services.

**Public Health - Cemetery**

This segment includes the revenue and expenses associated with Smithers Cemetery services.

**Recreation and Culture**

This segment includes the revenue and expenses associated with Arenas, Parks and Playgrounds, Recreation programs and Cultural Facilities services.

**Transportation and Transit**

This segment includes the revenue and expenses associated with public work costs, fleet maintenance, road and street operating costs (snow removal, sanding, street lighting, dust control, line marking, sidewalk maintenance, Highway 16 boulevard work, and street sweeping and drainage ditches) and transit, the Smithers and Area Transit service, including service to Witset. Taxation collected for Infrastructure costs is allocated to Transportation.

**Solid Waste Management/Recycling**

This segment includes the revenue and expenses associated with garbage (solid waste) and curbside recycling collection.

**Utilities**

This segment includes the revenue and expenses associated with providing water, sanitary sewer and storm sewer services.

**Planning and Development**

This segment includes the revenue and expenses associated with Engineering, Planning, and Building Inspection.

**Economic Development and Tourism**

This segment includes the revenue and expenses associated with Economic Development and Tourism.

**Airport**

This segment includes the revenue and expenses associated with operating the Smithers Regional Airport.

**Library**

This segment includes the revenue and expenses associated with operating the Smithers Public Library.



**Town of Smithers**  
**Notes to the Consolidated Financial Statements**

**12. Segmented Information (continued)**

| For the year ended<br>December 31, 2019                                  | Council      | Corporate<br>Services | Protective<br>Services | Public<br>Health,<br>Cemetery | Recreation<br>and Culture | Transportation<br>and Transit | Solid Waste<br>Recycling | Utilities   | Planning,<br>Development<br>Bldg Insp. | Economic<br>Development<br>and Tourism | Airport      | Library     | 2019<br>Total |
|--|--------------|-----------------------|------------------------|-------------------------------|---------------------------|-------------------------------|--------------------------|-------------|--|--|--------------|-------------|---------------|
| Revenue  |              |                       |                        |                               |                           |                               |                          |             |  |  |              |             |               |
| Property Taxes and Grants in Lieu<br>Municipal and Regional District Tax | \$ -         | \$ 4,568,344          | \$ 1,619,196           | \$ -                          | \$ -                      | \$ 581,885                    | \$ -                     | \$ -        | \$ -                                   | \$ -                                   | \$ -         | \$ -        | \$ 6,769,425  |
| Interest and Penalties on taxes  | -            | 76,452                | -                      | -                             | -                         | -                             | -                        | -           | -                                      | 245,323                                | -            | -           | 245,323       |
| Sales and user charges   | -            | 36,733                | 18,178                 | 37,701                        | 517,902                   | 39,604                        | 294,299                  | 1,494,577   | 28,164                                 | -                                      | 1,607,548    | -           | 76,452        |
| Government transfers   | -            | 7,410,041             | 334,867                | -                             | 200,770                   | 55,979                        | 66,846                   | 5,351       | 851                                    | 66,613                                 | 637,500      | 188,155     | 4,074,706     |
| Investment income  | -            | 349,927               | -                      | -                             | -                         | -                             | -                        | 14,386      | -                                      | -                                      | 3,518        | -           | 8,946,973     |
| Penalties  | -            | -                     | -                      | -                             | -                         | -                             | 2,387                    | -           | 714                                    | -                                      | -            | -           | 3,345         |
| Franchise fees   | -            | 124,783               | -                      | -                             | -                         | -                             | -                        | -           | -                                      | -                                      | -            | -           | 3,101         |
| Rentals  | -            | -                     | -                      | -                             | 21,751                    | -                             | -                        | -           | -                                      | -                                      | 219,519      | -           | 124,783       |
| Licenses, permits and fines  | -            | -                     | 8,462                  | -                             | -                         | -                             | -                        | -           | 198,645                                | -                                      | 3,095        | -           | 241,270       |
| Expense Recovery   | -            | -                     | -                      | -                             | 430,136                   | 791                           | -                        | -           | 60,000                                 | 2,000                                  | -            | 12,985      | 223,187       |
| Contributions from others  | -            | -                     | -                      | -                             | -                         | -                             | 80,200                   | -           | -                                      | -                                      | -            | 6,243       | 753,838       |
| Developer contributed assets   | -            | 110,633               | -                      | -                             | -                         | -                             | -                        | -           | -                                      | -                                      | -            | -           | 80,200        |
| Gain (Loss) on disposal of capital                                       | -            | 12,676,913            | 1,980,703              | 37,701                        | 1,170,559                 | 678,259                       | 443,732                  | 1,514,314   | 288,374                                | 313,936                                | 2,471,180    | 451,639     | 22,027,310    |
| Expenses   |              |                       |                        |                               |                           |                               |                          |             |  |  |              |             |               |
| Salaries and benefits  | 118,809      | 1,032,646             | 789,908                | 31,233                        | 722,898                   | 665,961                       | 139,359                  | 463,601     | 531,566                                | -                                      | 661,487      | 314,124     | 5,471,593     |
| Training, Travel, Memberships  | 42,100       | 32,916                | 43,085                 | -                             | 5,566                     | 9,882                         | -                        | 9,217       | 12,451                                 | -                                      | 8,704        | 5,952       | 160,893       |
| Telephone  | 647          | 22,323                | 15,472                 | -                             | 6,975                     | 9,662                         | -                        | 7,624       | 2,198                                  | -                                      | 24,192       | 2,367       | 91,660        |
| Advertising and Promotion  | 2,517        | 15,974                | 2,073                  | -                             | 5,457                     | 730                           | -                        | 3,527       | 5,484                                  | 94                                     | 21,220       | -           | 57,076        |
| Materials and Supplies   | -            | 61,253                | 56,610                 | 5,776                         | 103,990                   | 467,992                       | 9,580                    | 99,255      | 12,975                                 | -                                      | 94,918       | 68,968      | 981,317       |
| Miscellaneous Expenses   | 21,939       | 29,393                | 6,671                  | -                             | 12,379                    | -                             | -                        | 10,251      | 561                                    | 55                                     | 6,403        | -           | 92,571        |
| Community Grants   | -            | 157,185               | 35,141                 | -                             | 456,639                   | -                             | -                        | 70,229      | 44,105                                 | 338,029                                | 296,874      | 5,648       | 532,516       |
| Contract Services  | -            | -                     | 1,538,199              | -                             | 151,365                   | 393,454                       | -                        | 71,010      | -                                      | -                                      | -            | -           | 1,505,618     |
| RCMP Contract  | -            | -                     | 46,952                 | -                             | -                         | -                             | -                        | -           | -                                      | 91,087                                 | -            | -           | 1,538,199     |
| Special Projects   | 3,339        | -                     | 7,600                  | 138                           | 106,170                   | 11,326                        | 4,593                    | 24,688      | -                                      | 15,645                                 | 15,645       | 52,940      | 250,570       |
| Utilities - Hydro  | -            | 15,626                | 9,256                  | -                             | 155,479                   | 155,479                       | -                        | 155,973     | -                                      | 67,262                                 | 4,354        | -           | 512,602       |
| Utilities - Natural Gas  | -            | 5,217                 | 9,256                  | -                             | 40,317                    | 7,355                         | -                        | -           | -                                      | -                                      | 20,501       | 1,629       | 84,275        |
| Utilities - Water, Sewer, Garbage  | -            | 1,133                 | 11,390                 | -                             | 31,499                    | 1,551                         | 1,200                    | 586         | -                                      | -                                      | 1,618        | 949         | 49,926        |
| Insurance  | 350          | 19,566                | 8,836                  | 89                            | 36,020                    | 78,595                        | -                        | 17,902      | -                                      | 659                                    | 28,729       | 3,055       | 193,801       |
| Interest on Long Term Debt   | -            | -                     | -                      | -                             | -                         | 60,909                        | -                        | 33,887      | -                                      | -                                      | 100,403      | -           | 195,199       |
| Amortization   | -            | 95,729                | 186,672                | 2,016                         | 489,400                   | 767,666                       | 50,678                   | 558,634     | 2,308                                  | 1,744                                  | 1,337,188    | 7,313       | 3,499,348     |
|  | 189,701      | 1,489,161             | 2,757,865              | 39,252                        | 2,168,696                 | 2,621,562                     | 205,410                  | 1,526,384   | 611,648                                | 431,668                                | 2,684,144    | 481,673     | 15,217,164    |
| Internal Equipment Rental  | 2,000        | 6,500                 | 141,950                | 10,030                        | 95,515                    | (500,587)                     | 75,892                   | 77,315      | 16,000                                 | -                                      | 70,000       | 253         | (5,352)       |
|  | 191,701      | 1,495,661             | 2,899,795              | 49,282                        | 2,264,211                 | 2,120,975                     | 281,102                  | 1,603,699   | 627,648                                | 431,668                                | 2,754,144    | 491,926     | 15,211,812    |
| Net surplus (deficit)  | \$ (191,701) | \$ 11,181,252         | \$ (919,052)           | \$ (11,581)                   | \$ (1,093,652)            | \$ (1,442,716)                | \$ 162,630               | \$ (89,385) | \$ (339,274)                           | \$ (117,732)                           | \$ (282,964) | \$ (40,287) | \$ 6,815,498  |

Town of Smithers  
Notes to the Consolidated Financial Statements

12. Segmented Information - continued

For the year ended  
December 31, 2018

2018  
Total  
(Restated)

|                                     | Council | Corporate services | Protective services | Public Health, Cemetery | Recreation and Culture | Transportation, and Transit | Solid Waste Management, Recycling | Utilities    | Planning and Development | Economic Development and Tourism | Airport      | Library     |              |
|-------------------------------------|---------|--------------------|---------------------|-------------------------|------------------------|-----------------------------|-----------------------------------|--------------|--------------------------|----------------------------------|--------------|-------------|--------------|
| <b>Revenue</b>                      |         |                    |                     |                         |                        |                             |                                   |              |                          |                                  |              |             |              |
| Property Taxes and Grants in Lieu   |         | \$ 4,429,293       | \$ 1,640,408        | \$ -                    | \$ -                   | \$ 527,781                  | \$ -                              | \$ 3,441     | \$ -                     | \$ -                             | \$ -         | \$ -        | \$ 6,600,923 |
| Municipal and Regional District Tax |         | -                  | -                   | -                       | -                      | -                           | -                                 | -            | -                        | 210,075                          | -            | -           | 210,075      |
| Interest and penalties on taxes     |         | 72,108             | -                   | -                       | -                      | 33,221                      | 290,237                           | 1,383,653    | 26,401                   | -                                | 1,569,289    | -           | 3,887,615    |
| Sales and user charges              |         | 41,765             | 16,460              | 48,598                  | 477,991                | 77,798                      | 67,074                            | 42,248       | 2,100                    | -                                | 4,515,032    | 148,223     | 6,428,018    |
| Government transfers                |         | 615,520            | 707,991             | -                       | 191,155                | -                           | -                                 | -            | -                        | 90,877                           | -            | 2,955       | 249,484      |
| Investment income                   |         | 246,230            | -                   | -                       | -                      | -                           | 2,746                             | -            | 496                      | -                                | -            | -           | 3,242        |
| Penalties and costs on taxes        |         | -                  | -                   | -                       | -                      | -                           | -                                 | -            | -                        | -                                | -            | -           | 139,655      |
| Franchise fees                      |         | 139,855            | -                   | -                       | -                      | -                           | -                                 | -            | -                        | -                                | 215,876      | -           | 252,100      |
| Rentals                             |         | -                  | -                   | -                       | 36,224                 | -                           | -                                 | -            | 186,815                  | -                                | 5,735        | 17,434      | 216,822      |
| Licenses, permits and fines         |         | -                  | 7,838               | -                       | -                      | -                           | -                                 | -            | -                        | -                                | -            | -           | 175,000      |
| Expense Recovery                    |         | 175,000            | -                   | -                       | -                      | -                           | -                                 | -            | -                        | -                                | -            | -           | 175,000      |
| Contributions from others           |         | -                  | 1,305               | -                       | 62,250                 | 1,558                       | -                                 | -            | 1,298                    | -                                | -            | -           | 247,088      |
| Developer contributed assets        |         | -                  | -                   | -                       | -                      | -                           | 314,318                           | -            | -                        | -                                | -            | -           | 314,318      |
| Loss on disposal of capital         |         | 17,772             | -                   | -                       | -                      | -                           | -                                 | -            | -                        | -                                | -            | -           | 17,772       |
|                                     |         | 5,737,543          | 2,374,002           | 48,598                  | 767,620                | 610,358                     | 674,375                           | 1,429,342    | 216,110                  | 300,952                          | 6,306,231    | 349,289     | 18,814,420   |
| <b>Expenses</b>                     |         |                    |                     |                         |                        |                             |                                   |              |                          |                                  |              |             |              |
| Salaries and benefits               | 121,154 | 992,889            | 803,215             | 37,526                  | 734,790                | 722,814                     | 142,976                           | 496,516      | 556,788                  | -                                | 684,721      | 305,904     | 5,579,293    |
| Training, Travel, Memberships       | 56,407  | 45,173             | 26,654              | -                       | 6,975                  | 2,161                       | -                                 | 6,243        | 11,646                   | -                                | 10,472       | 4,361       | 170,092      |
| Telephone                           | 648     | 22,451             | 15,457              | -                       | 6,120                  | 10,122                      | -                                 | 8,630        | 1,861                    | -                                | 25,689       | 2,279       | 93,257       |
| Advertising and Promotion           | 2,196   | 18,776             | 2,707               | -                       | 6,905                  | 10,122                      | -                                 | 2,306        | 8,041                    | -                                | 17,854       | 1,885       | 61,745       |
| Materials and Supplies              | -       | 58,724             | 49,674              | 2,506                   | 94,607                 | 427,348                     | 13,565                            | 91,347       | 11,982                   | -                                | 118,836      | 70,270      | 938,659      |
| Miscellaneous Expenses              | 8,171   | 25,553             | 4,144               | -                       | 22,719                 | -                           | -                                 | 10,298       | 1,738                    | -                                | 8,080        | 2,703       | 83,417       |
| Community Grants                    | -       | -                  | -                   | -                       | 83,668                 | -                           | -                                 | 64,837       | -                        | -                                | -            | 1,952       | 150,457      |
| Contracted services                 | -       | 179,137            | 26,511              | 643                     | 144,360                | 424,959                     | -                                 | 123,038      | 67,809                   | 302,314                          | -            | 18,738      | 1,589,720    |
| RCMP Contract                       | -       | -                  | 1,370,773           | -                       | -                      | -                           | -                                 | -            | -                        | -                                | -            | -           | 1,370,773    |
| Special Projects                    | 5,026   | -                  | 42,647              | -                       | 100,665                | 150,894                     | 1,069                             | 77,069       | -                        | 51,257                           | 30,172       | 15,481      | 474,280      |
| Utilities - Hydro                   | -       | 16,868             | 7,763               | 139                     | 100,890                | 152,628                     | -                                 | 123,570      | -                        | -                                | 75,078       | 4,826       | 481,762      |
| Utilities - Natural Gas             | -       | 4,969              | 10,221              | -                       | 41,311                 | 8,295                       | -                                 | -            | -                        | -                                | 22,341       | 2,632       | 89,769       |
| Utilities - Water, Sewer, Garbage   | -       | 1,069              | 10,807              | -                       | 22,752                 | 1,580                       | 1,200                             | 551          | -                        | -                                | 1,440        | 890         | 40,289       |
| Insurance                           | 350     | 18,765             | 4,332               | 88                      | 34,081                 | 68,124                      | -                                 | 17,881       | -                        | 530                              | 24,511       | 2,997       | 171,659      |
| Interest on Long-term Debt          | -       | 91,983             | 139,027             | 1,913                   | 478,645                | 777,712                     | 50,678                            | 556,576      | 3,400                    | 6,880                            | 1,310,492    | 12,791      | 3,430,097    |
| Amortization                        | 193,952 | 1,476,357          | 2,513,932           | 42,815                  | 1,878,488              | 2,806,262                   | 209,488                           | 1,613,394    | 663,266                  | 362,056                          | 2,706,608    | 447,709     | 14,914,327   |
| Internal Equipment Rental           | 2,000   | 6,500              | 139,930             | 10,030                  | 95,836                 | (515,375)                   | 75,692                            | 87,417       | 16,000                   | -                                | 68,000       | 253         | (13,717)     |
|                                     | 195,952 | 1,482,857          | 2,653,862           | 52,845                  | 1,974,324              | 2,290,887                   | 286,180                           | 1,700,811    | 679,266                  | 362,056                          | 2,774,608    | 447,962     | 14,900,610   |
| <b>Net surplus (deficit)</b>        |         | \$ (195,952)       | \$ 4,254,686        | \$ (279,860)            | \$ (4,247)             | \$ (1,680,529)              | \$ 388,195                        | \$ (271,469) | \$ (463,156)             | \$ (61,104)                      | \$ 3,531,623 | \$ (98,673) | \$ 3,913,810 |

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**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

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**13. CONTINGENT LIABILITY**

At the date of the financial statements there was a contingent liability that was identified in relation to remediation that is required at the Sewer Treatment Plant to reduce the levels of certain concentrations in the Effluent. The cost of remediation is not possible to reliably estimate in the financial statements as there is uncertainty around the corrective action that is required as well, there are multiple remedies that could be attempted that range in the costs associated with them.

**14. COMMITMENTS AND CONTINGENCIES**

**Provincial Ministry of the Attorney General**

Under an agreement with the Ministry of the Attorney General, the Town is obligated to pay for municipal policing services comprised of nine officers, two clerks, one court liaison officer and a proportionate share of accommodation costs.

**Federal Department of Transportation**

The Federal Government continues to carry on all functions relating to air navigation and air traffic control, civil aviation security and Canadian inspection services.

**Financial Contracts**

The Town has the following service operating future obligations for the next five years.

|      | <u>Total</u>      |
|------|-------------------|
| 2020 | \$ 174,545        |
| 2021 | 160,949           |
| 2022 | 25,244            |
| 2023 | 10,054            |
| 2024 | -                 |
|      | <u>\$ 370,792</u> |

**Municipal Pension Plan**

The Town of Smithers and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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**Town of Smithers  
Notes to Financial Statements****December 31, 2019**

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**14. COMMITMENTS AND CONTINGENCIES (Continued)**

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Town of Smithers paid \$371,752 (**2018**: \$375,845) for employer contributions while employees contributed \$324,087 (**2018**: \$318,572) to the plan in fiscal 2019.

Employers participating in the plan, record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

**Contract of Purchase and Sale with Ambleside Projects Ltd.**

In 2013 the Town of Smithers signed a 15-year purchase/sale agreement with Ambleside Projects Ltd. allowing them to purchase and develop 18 hectares of Town owned Land adjacent to the Willowvale Neighbourhood. In 2013 Ambleside Projects Ltd. purchased 13 lots and 2.2 acres of property, in 2014 they purchased 12 lots and in 2017 they purchased 7 lots. There were no lots purchased in 2018. In 2019 Ambleside Projects Ltd. purchased 12 lots. As of December 31, 2019 the 12 lots sold to Ambleside Projects Ltd. had not been developed as residential lots.

**Legal Actions**

The Town of Smithers has been named defendant in various legal actions. No reserve or liability has been recorded regarding any of the legal actions or possible claims because the amount of loss, if any, is indeterminable. Settlement, if any, made with respect to these actions would be accounted for as a charge to expenditures in the period in which the outcomes are known.

## Town of Smithers Notes to Financial Statements

**December 31, 2019**

### 15. COMPLIANCE WITH LEGISLATIVE FINANCIAL PLAN REQUIREMENTS

The legislative requirements for the Financial Plan are that cash inflows for the period must equal cash outflows. Cash inflows and outflows included such items as: debt proceeds, transfers to and from reserves and surpluses, debt principle repayment and assets sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations as they do not meet the public sector accounting standard requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is not legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between those two requirements and demonstrate how the legislative requirement for a balanced budget, or Financial Plan net of "0", has been met.

| For the Year Ended December 31  | 2019<br>Budget | 2019<br>Actual      | 2018<br>Actual<br>(Restated) |
|---|----------------|---------------------|------------------------------|
| Accumulated Surplus (Deficit) - Statement of Operations   | \$ 20,571,195  | <b>\$ 6,815,498</b> | \$ 3,913,810                 |
| Adjustments to non-cash items:  |                |                     |                              |
| Amortization expense  | 3,000,000      | <b>3,499,348</b>    | 3,430,095                    |
| Tangible Assets (TCA) - contributed   | -              | <b>(80,200)</b>     | (314,318)                    |
| (Gain)/Loss on disposal of Tangible Capital Asset   | -              | <b>(110,633)</b>    | (17,772)                     |
| Actuarial adjustment  | -              | <b>(72,877)</b>     | (61,447)                     |
| Adjustments for cash items, not recognized as revenue or expenses in the Statement of Operations: |                |                     |                              |
| Tangible Capital Assets expenses  | (18,601,940)   | <b>(2,817,856)</b>  | (8,072,506)                  |
| Proceeds from sale of tangible capital assets   | 75,000         | <b>200,000</b>      | 37,500                       |
| Debt principal repayment  | (276,903)      | <b>(276,903)</b>    | (228,903)                    |
| Debenture issuing costs   | -              | -                   | -                            |
| Borrowing proceeds  | -              | -                   | 240,000                      |
| Net Transfers from (to) Statutory reserves  | (5,478,276)    | <b>(5,942,373)</b>  | 1,275,001                    |
| Net transfers from (to) Capital reserves  | 43,852         | <b>(617,185)</b>    | 183,414                      |
| Net Transfers from (to) Operating reserves  | 667,072        | <b>(596,819)</b>    | (384,874)                    |
| Balances financial plan operations  | \$ -           | <b>\$ -</b>         | \$ -                         |

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**Town of Smithers  
Notes to Financial Statements**

**December 31, 2019**

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**16. CEMETERY AND COLUMBARIUM CARE TRUST FUND**

The Town operates and maintains the Smithers Cemetary. As required under Provincial legislation, a portion of the plot sales and marker installation fees must be retained for the future maintenance of the cemetery.

The Town has excluded the Cemetery and Columbarium Care Trust Fund and associated cash from the Statement of Financial Position and related interest earnings and transactions from the Statement of Operations and Accumulated Surpluses.

|                            | <b>2019</b> | <b>2018</b> |
|----------------------------|-------------|-------------|
| Balance, beginning of year | \$ 93,277   | \$ 88,625   |
| Interest Income            | 4,952       | \$ 4,652    |
|                            | \$ 98,229   | \$ 93,277   |

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**17. SUBSEQUENT EVENTS**

**COVID 19**

In March 2020 the World Health Organization declared a global pandemic due to Covid-19. The Town was forced to suspend some of its operations. The use of surplus funds will allow the Town to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The situation presents uncertainty over the Town's future cash flows, and may have significant impact on the Town's future operations. Potential impacts on the Town's business could include future decreases in revenue, impairment of investments or reduction in investment income, and delays in completing capital project work. The Smithers Regional Airport has had all regular flights suspended and still remains closed to the date of the auditors report. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate on the financial effect on the Town is not practicable at this time.

**WASTEWATER TREATMENT PLANT**

On April 30, 2020 the Town was issued a warning from Environment and Climate Change Canada's Enforcement Branch in regards to the Wastewater Systems Effluent Regulations (WSER) outflow into the Bulkley River. This warning highlights that substantial changes could need to be completed at the Wastewater Treatment Plant. It is not possible to reliably estimate the impact on the financial position of the Town as a result of this warning.

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## Town of Smithers Notes to Financial Statements

**December 31, 2019**

### 18. PRIOR PERIOD RESTATEMENT

The Town of Smithers is applying a presentation change retroactive to the December 31, 2018 year-end to reflect the inclusion of the Smithers Public Library tangible capital assets and related equity in tangible capital assets. The changes were not material to require changing the Town's audited 2018 consolidated financial statements. However, the Town of Smithers 2018 comparative figures within the December 31, 2019 consolidated financial statements have been restated to reflect the changes made.

The change in reporting resulted in the following changes to the 2018 comparative values:

#### Consolidated Statement of Financial Position

|  | Reported in 2019<br>for 2018 | Reported in 2018<br>for 2018 |
|--|------------------------------|------------------------------|
| Tangible Capital Assets  | \$ 126,642,819               | \$ 126,505,656               |
| Accumulated Amortization   | <u>63,660,520</u>            | <u>63,530,108</u>            |
| Net Book Value   | <u>62,982,299</u>            | <u>62,975,548</u>            |
| Accumulated surplus (see below)  | <u>\$ 66,456,275</u>         | <u>\$ 66,449,524</u>         |
| <i>Adjustments to 2018 Accumulated Surplus:</i>  |                              |                              |
| 2018 Accumulated Surplus, as previously reported   |                              | \$ 66,449,524                |
| Addition to 2018 accumulated surplus relecting:<br>Smithers Public Library Equity in Tangible Assets |                              | <u>6,751</u>                 |
| 2018 Accumulated surplus as restated   |                              | <u>\$ 66,456,275</u>         |

#### Consolidated Statement of Operations, Cash Flows, and Net Financial Assets

|   | Reported in 2019<br>for 2018 | Reported in 2018<br>for 2018 |
|---|------------------------------|------------------------------|
| Library - amortization of tangible capital assets | <u>\$ 3,430,097</u>          | <u>\$ 3,428,779</u>          |
| Annual surplus (see below)                        | <u>\$ 3,913,810</u>          | <u>\$ 3,915,128</u>          |
| <i>Adjustments to 2018 Annual Surplus:</i>        |                              |                              |
| 2018 Annual Surplus, as previously reported       |                              | \$ 3,915,128                 |
| Less: 2018 Library amortization                   |                              | <u>(1,318)</u>               |
| 2018 Annual surplus, as restated                  |                              | <u>\$ 3,913,810</u>          |

**Town of Smithers**  
**Schedule I - Schedule of Tangible Capital Assets**

For the Year Ended December 31

|   |              | <b>2019</b>   |                                    |                                |                       |               |                  |                   |                |  |
|---|--------------|---------------|------------------------------------|--------------------------------|-----------------------|---------------|------------------|-------------------|----------------|--|
|   | Land         | Buildings     | Machinery & Equipment and Vehicles | Office Equipment and Computers | Engineered Structures | Utilities     | Work in Progress | Library Equipment | Totals         |  |
| Cost, beginning of year                     | \$ 7,993,396 | \$ 30,503,780 | \$ 10,556,287                      | \$ 702,131                     | \$ 43,511,672         | \$ 33,209,730 | \$ 28,663        | \$ 137,160        | \$ 126,642,819 |  |
| Acquisitions                                | -            | 969,754       | 869,229                            | 23,045                         | 914,585               | 38,993        | -                | 2,250             | 2,817,856      |  |
| Contributed Assets                          | -            | -             | -                                  | -                              | -                     | 80,200        | -                | -                 | 80,200         |  |
| Transfer - Work In Progress                 | -            | -             | -                                  | -                              | -                     | 28,663        | (28,663)         | -                 | -              |  |
| Disposals                                   | (86,617)     | -             | (5,000)                            | -                              | -                     | -             | -                | -                 | (91,617)       |  |
| Cost, end of year                           | 7,906,779    | 31,473,534    | 11,420,516                         | 725,176                        | 44,426,257            | 33,357,586    | -                | 139,410           | 129,449,258    |  |
| Accumulated amortization, beginning of year | -            | 11,767,018    | 6,897,397                          | 622,270                        | 24,029,468            | 20,213,954    | -                | 130,413           | 63,660,520     |  |
| Amortization                                | -            | 1,075,735     | 550,485                            | 22,153                         | 1,243,502             | 605,960       | -                | 1,513             | 3,499,348      |  |
| Disposals                                   | -            | -             | (2,250)                            | -                              | -                     | -             | -                | -                 | (2,250)        |  |
| Accumulated amortization, end of year       | -            | 12,842,753    | 7,445,632                          | 644,423                        | 25,272,970            | 20,819,914    | -                | 131,926           | 67,157,618     |  |
| Net carrying amount, end of year            | \$ 7,906,779 | \$ 18,630,781 | \$ 3,974,884                       | \$ 80,753                      | \$ 19,153,287         | \$ 12,537,672 | \$ -             | \$ 7,484          | \$ 62,291,640  |  |

|   |              | <b>2018</b>   |                                    |                                |                       |               |                  |                   |                |  |
|---|--------------|---------------|------------------------------------|--------------------------------|-----------------------|---------------|------------------|-------------------|----------------|--|
|   | Land         | Buildings     | Machinery & Equipment and Vehicles | Office Equipment and Computers | Engineered Structures | Utilities     | Work in Progress | Library Equipment | Totals         |  |
| Cost, beginning of the year                 | \$ 7,901,106 | \$ 21,358,662 | \$ 9,965,272                       | \$ 668,965                     | \$ 42,412,959         | \$ 33,080,100 | \$ 2,910,484     | \$ 137,160        | \$ 118,465,708 |  |
| Acquisitions                                | 92,290       | 6,234,634     | 790,728                            | 32,166                         | 796,395               | 107,630       | 28,663           | -                 | 8,072,906      |  |
| Contributed Assets                          | -            | -             | -                                  | -                              | 302,318               | 12,000        | -                | -                 | 314,318        |  |
| Transfer - Work In Progress                 | -            | 2,910,484     | -                                  | -                              | -                     | -             | (2,910,484)      | -                 | -              |  |
| Disposals                                   | -            | -             | (209,713)                          | -                              | -                     | -             | -                | -                 | (209,713)      |  |
| Cost, end of year                           | 7,993,396    | 30,503,780    | 10,556,287                         | 702,131                        | 43,511,672            | 33,209,730    | 28,663           | 137,160           | 126,642,819    |  |
| Accumulated amortization, beginning of year | -            | 10,724,606    | 6,550,559                          | 603,325                        | 22,798,688            | 19,610,051    | -                | 129,082           | 60,417,321     |  |
| Amortization                                | -            | 1,042,412     | 533,736                            | 18,945                         | 1,229,780             | 603,903       | -                | 1,321             | 3,430,097      |  |
| Disposals                                   | -            | -             | (186,898)                          | -                              | -                     | -             | -                | -                 | (186,898)      |  |
| Accumulated amortization, End of year       | -            | 11,767,018    | 6,897,397                          | 622,270                        | 24,029,468            | 20,213,954    | -                | 130,413           | 63,660,520     |  |
| Net carrying amount, end of year            | \$ 7,993,396 | \$ 18,736,762 | \$ 3,658,890                       | \$ 79,861                      | \$ 19,482,204         | \$ 12,995,776 | \$ 28,663        | \$ 6,747          | \$ 62,982,299  |  |



**Schedule II - Schedule of Changes in Accumulated Surplus**  
**Town of Smithers**

| For the Year Ended December 31                            | Unrestricted Surplus | Restricted Surplus   | Equity in Capital Assets | 2019                 | 2018                 |
|---|----------------------|----------------------|--------------------------|----------------------|----------------------|
| <b>Balance, beginning of year</b>                         | <b>\$ 4,549,727</b>  | <b>\$ 3,745,043</b>  | <b>\$ 58,161,505</b>     | <b>\$ 66,456,275</b> | <b>\$ 62,542,465</b> |
| Excess of revenue over expenses                           | 6,815,498            | -                    | -                        | 6,815,498            | 3,913,810            |
| Government transfers for tangible capital assets          | (640,000)            | -                    | 640,000                  | -                    | -                    |
| Annual amortization expense                               | 3,499,348            | -                    | (3,499,348)              | -                    | -                    |
| Net gain on disposal of tangible capital assets           | (110,633)            | 200,000              | (89,367)                 | -                    | -                    |
| Actuarial Adjustment                                      | (72,877)             | -                    | 72,877                   | -                    | -                    |
| Contributed tangible capital assets                       | (80,200)             | -                    | 80,200                   | -                    | -                    |
| Unrestricted funds designated for future use              | (8,614,141)          | 8,614,141            | -                        | -                    | -                    |
| Unrestricted funds designated for tangible capital assets | (146,034)            | -                    | 146,034                  | -                    | -                    |
| Restricted funds used for operations                      | 180,897              | (180,897)            | -                        | -                    | -                    |
| Restricted funds used for tangible capital assets         | -                    | (2,031,822)          | 2,031,822                | -                    | -                    |
| Long-term debt repayment                                  | (276,903)            | -                    | 276,903                  | -                    | -                    |
|   | <b>554,955</b>       | <b>6,601,422</b>     | <b>(340,879)</b>         | <b>6,815,498</b>     | <b>3,913,810</b>     |
|   | <b>\$ 5,104,682</b>  | <b>\$ 10,346,465</b> | <b>\$ 57,820,626</b>     | <b>\$ 73,271,773</b> | <b>\$ 66,456,275</b> |

**Town of Smithers**  
**Schedule III - Schedule of Property and Other Taxes**

| <b>December 31, 2019</b>                   | <b>2019<br/>Budget</b> | <b>2019<br/>Actual</b>     | <b>2018<br/>Actual</b> |
|--|------------------------|----------------------------|------------------------|
| <b>Taxes Collected</b>                     |                        |                            |                        |
| Property Taxes                             | \$ 6,357,017           | <b>\$ 6,356,739</b>        | \$ 6,208,105           |
| 1% Utility Taxes                           | 165,589                | <b>166,795</b>             | 152,878                |
| Local Service Area and Frontage Taxes      | 11,877                 | <b>11,877</b>              | 18,337                 |
| Grants in lieu of Taxes                    | 234,400                | <b>234,014</b>             | 221,603                |
| Taxes collected for Other Governments      | 5,018,700              | <b>4,866,106</b>           | 4,737,731              |
|  | <u>11,787,583</u>      | <u><b>11,635,531</b></u>   | <u>11,338,654</u>      |
| <b>Less transfers to other governments</b> |                        |                            |                        |
| Ministry of Finance - School Taxes         | 2,570,000              | <b>2,335,373</b>           | 2,390,455              |
| Regional District                          | 1,640,000              | <b>1,708,183</b>           | 1,628,939              |
| Regional District Hospital                 | 670,000                | <b>686,839</b>             | 665,662                |
| BC Assessment                              | 53,000                 | <b>49,621</b>              | 52,468                 |
| Municipal Finance Authority                | 200                    | <b>214</b>                 | 207                    |
| Ministry of Health                         | 85,500                 | <b>85,876</b>              | -                      |
|  | <u>5,018,700</u>       | <u><b>4,866,106</b></u>    | <u>4,737,731</u>       |
|  | <u>\$ 6,768,883</u>    | <u><b>\$ 6,769,425</b></u> | <u>\$ 6,600,923</u>    |

**Town of Smithers**  
**Schedule IV - Schedule of Government Transfers**

| <b>December 31, 2019</b>       | <b>2019<br/>Budget</b> | <b>2019<br/>Actual</b> | <b>2018<br/>Actual</b> |
|--------------------------------|------------------------|------------------------|------------------------|
| <b>Transfers for operating</b> |                        |                        |                        |
| Provincial Government          | \$ 722,546             | <b>6,961,360</b>       | \$ 821,168             |
| Federal Government             | 1,300                  | <b>576,375</b>         | 295,155                |
| Regional District              | 467,094                | <b>480,497</b>         | 456,644                |
| Wetzin'kwa Community Forest    | -                      | <b>40,000</b>          | 35,000                 |
| School District                | 10,000                 | <b>10,000</b>          | 10,000                 |
| Municipal Government           | 19,240                 | <b>19,240</b>          | 17,374                 |
| First Nation Government        | 10,247                 | <b>6,737</b>           | 9,468                  |
| Other Government Organizations | 303,902                | <b>212,764</b>         | 256,935                |
|                                | <u>1,534,329</u>       | <b>\$ 8,306,973</b>    | <u>1,901,744</u>       |
| <b>Transfers for capital</b>   |                        |                        |                        |
| Provincial Government          | 6,831,875              | <b>37,500</b>          | 771,037                |
| Federal Government             | 600,000                | <b>600,000</b>         | 3,218,995              |
| Regional District              | -                      | -                      | 400,000                |
| Other Government Organizations | 12,915,600             | <b>2,500</b>           | 136,242                |
|                                | <u>20,347,475</u>      | <b>640,000</b>         | <u>4,526,274</u>       |
|                                | <b>\$ 21,881,804</b>   | <b>\$ 8,946,973</b>    | <b>\$ 6,428,018</b>    |

**Town of Smithers**  
**Schedule V - Consolidated Schedule of Expenses by Object**

| <b>December 31, 2019</b>               | <b>2019<br/>Budget</b> | <b>2019<br/>Actual</b> | <b>2018<br/>Actual</b> |
|--|------------------------|------------------------|------------------------|
| <b>Consolidated Expenses by Object</b> |                        |                        |                        |
| Salaries, wages and benefits           | \$ 5,784,077           | \$ <b>5,471,593</b>    | \$ 5,579,293           |
| Training, Travel, Memberships          | 210,444                | <b>160,893</b>         | 170,092                |
| Telephone                              | 93,782                 | <b>91,660</b>          | 93,257                 |
| Advertising and Promotion              | 62,466                 | <b>57,076</b>          | 61,745                 |
| Materials and Supplies                 | 681,700                | <b>981,317</b>         | 938,859                |
| Miscellaneous Expenses                 | 88,785                 | <b>92,571</b>          | 83,417                 |
| Community Grants                       | 170,229                | <b>532,516</b>         | 150,457                |
| Contracted Services                    | 1,418,884              | <b>1,505,618</b>       | 1,589,720              |
| RCMP Contract                          | 1,596,219              | <b>1,538,199</b>       | 1,370,773              |
| Special Projects                       | 491,752                | <b>250,570</b>         | 474,280                |
| Utilities - Hydro                      | 508,976                | <b>512,602</b>         | 481,762                |
| Utilities - Natural Gas                | 96,856                 | <b>84,275</b>          | 89,769                 |
| Utilities - Water, Sewer and Garbage   | 44,490                 | <b>49,926</b>          | 40,289                 |
| Insurance                              | 122,841                | <b>193,801</b>         | 171,659                |
| Interest on Long-term Debt             | 194,205                | <b>195,199</b>         | 188,858                |
| Amortization                           | 3,000,000              | <b>3,499,348</b>       | 3,430,097              |
| Internal Equipment Charges             | 436,795                | <b>(5,352)</b>         | (13,717)               |
|  | <b>\$ 15,002,501</b>   | <b>\$ 15,211,812</b>   | <b>\$ 14,900,610</b>   |

**Town of Smithers**  
**Schedule VI - Northern Capital and Planning Grant Reserve Fund**

| <b>December 31, 2019</b>                | <b>2019<br/>Actual</b> | <b>2018<br/>Actual</b> |
|---|------------------------|------------------------|
| <b>Revenue</b>                          |                        |                        |
|   | <b>2019</b>            | <b>2018</b>            |
| Contribution from Provincial Government | <b>\$ 6,218,000</b>    | \$ -                   |
| Interest Income                         | <b>105,020</b>         | -                      |
|   | <b>\$ 6,323,020</b>    | -                      |



Photo (above): Alpenhorn Man Statue on Main Street at the entrance to the Downtown Core



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